97TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
No. 97-987

SURFACE TRANSPORTATION ASSISTANCE ACT OF 1982

DECEMBER 21 (legislative day of DECEMBER 19), 1982.—Ordered to be printed

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Mr. ROSTENKOWSKI, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 6211]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6211) to authorize appropriations for construction of certain highways in accordance with title 23, United States Code, for highway safety, for mass transportation in urban and rural areas, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows.

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Surface Transportation Assistance Act of 1982".

TITLE I

SHORT TITLE

SEC. 101. This title may be cited as the "Highway Improvement Act of 1982".

REVISION OF AUTHORIZATION FOR APPROPRIATIONS FOR THE INTERSTATE SYSTEM

SEC. 102. Subsection (b) of section 108 of the Federal Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $3,225,000,000 for the fiscal year ending September 30, 1984," and all that follows down through the period at the end of

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the sentence and by inserting in lieu thereof the following: "the additional sum of $4,000,000,000 for the fiscal year ending September 30, 1984, the additional sum of $4,000,000,000 for the fiscal year ending September 30, 1985, the additional sum of $4,000,000,000 for the fiscal year ending September 30, 1986, the additional sum of $4,000,000,000 for the fiscal year ending September 30, 1987, and the additional sum of $4,000,000,000 for the fiscal year ending September 30, 1988, the additional sum of $4,000,000,000 for the fiscal year ending September 30, 1989, and the additional sum of $4,000,000,000 for the fiscal year ending September 30, 1990.".

MINIMUM APPORTIONMENT

SEC. 103. (a) For each of the fiscal years 1984, 1985, 1986, and 1987, no State, including the State of Alaska, shall receive less than one-half of 1 per centum of the total apportionment for the Interstate System under section 104(b)(5)(A) of title 23, United States Code. Whenever amounts made available under this subsection for the Interstate System in any State exceed the estimated cost of completing that State's portion of the Interstate System, and exceed the estimated cost of necessary resurfacing, restoration, rehabilitation, and reconstruction of the Interstate System within such State, the excess amount shall be eligible for expenditure for those purposes for which funds apportioned under paragraphs (1), (2), and (6) of such section 104(b) may be expended and shall also be available for expenditure to carry out section 152 of title 23, United States Code.

(b) Section 4(b) of the Federal-Aid Highway Act of 1982 is repealed.

OBLIGATION CEILING

SEC. 104. (a) Notwithstanding any other provision of law, the total of all obligations for Federal-aid highways and highway safety construction programs shall not exceed—

(1) $12,100,000,000 for fiscal year 1983;
(2) $12,750,000,000 for fiscal year 1984;
(3) $13,550,000,000 for fiscal year 1985; and
(4) $14,450,000,000 for fiscal year 1986.

These limitations shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, or projects covered under section 147 of the Surface Transportation Assistance Act of 1978, or section 9 of the Federal-Aid Highway Act of 1981 or section 118 of the National Visitor Center Facilities Act of 1968. No obligation constraints shall be placed upon any ongoing emergency project carried out under section 125 of title 23, United States Code, or section 147 of the Surface Transportation Assistance Act of 1978.

(b) For each of the fiscal years 1983, 1984, 1985, and 1986, the Secretary of Transportation shall distribute the limitation imposed by subsection (a) by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to each State for such fiscal year bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned or allocated to all the States for such fiscal year.

(c) During the period October 1 through December 31, 1982, no State shall obligate more than 35 per centum of the amount distributed to such State under subsection (b) for fiscal year 1983, and the total of all State obligations during such period shall not exceed 25 per centum of the total amount distributed to all States under such subsection for such fiscal year.

(d) Notwithstanding subsections (b) and (c), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construction which have been apportioned or allocated to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1 of each of the fiscal years 1983, 1984, 1985, and 1986, revise a distribution of the funds made available under subsection (b) for such fiscal year if a State will not obligate the amount distributed during such fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during such fiscal year giving priority to those States having large unobligated balances of funds apportioned under section 104 of title 23, United States Code, and giving priority to those States which, because of statutory changes made by this Act and the Federal-Aid Highway Act of 1981, have experienced substantial proportional reductions in their apportionments and allocations; and

(3) not distribute amounts authorized for administrative expenses and forest highways.

(e)(1) Section 1106(b) of the Omnibus Budget Reconciliation Act of 1981 is repealed.

(2) Section 1106(c) of the Omnibus Budget Reconciliation Act of 1981 is amended to read as follows:

"(c) For the fiscal year 1982, the Secretary of Transportation shall distribute the limitation imposed by subsection (a) by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to each State for such fiscal year bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to all the States for such fiscal year.".

(3) Section 1106(d) of the Omnibus Budget Reconciliation Act of 1981 is amended by striking out "periods" and inserting in lieu thereof "period" and by striking out "and October 1 through December 31, 1982,".

(4) Section 1106(e)(2) of the Omnibus Budget Reconciliation Act of 1981 is amended by striking out "and after August 1, 1983,".

AUTHORIZATIONS

SEC. 105. (a) For the purpose of carrying out the provisions of title 23, United States Code, the following sums are hereby authorized to be appropriated:

(1) For the Federal-aid primary system in rural areas, including the extensions of the Federal-aid primary system in urban areas,

and the priority primary routes, out of the Highway Trust Fund, $1,850,000,000 (reduced by the amount authorized by the first sentence of section 4(a)(1) of the Federal-Aid Highway Act of 1982) for the fiscal year ending September 30, 1983, $2,100,000,000 for the fiscal year ending September 30, 1984, $2,300,000,000 for the fiscal year ending September 30, 1985, and $2,450,000,000 for the fiscal year ending September 30, 1986. For the Federal-aid secondary system in rural areas, out of the Highway Trust Fund, $650,000,000 (reduced by the amount authorized by the second sentence of section 4(a)(1) of the Federal-Aid Highway Act of 1982) for the fiscal year ending September 30, 1983, $650,000,000 for the fiscal year ending September 30, 1984, $650,000,000 for the fiscal year ending September 30, 1985, and $650,000,000 for the fiscal year ending September 30, 1986.

(2) For the Federal-aid urban system, out of the Highway Trust Fund, $800,000,000 (reduced by the amount authorized by section 4(a)(2) of the Federal-Aid Highway Act of 1982) for the fiscal year ending September 30, 1983, and $800,000,000 per fiscal year for each of the fiscal years ending September 30, 1984, September 30, 1985, and September 30, 1986.

(3) For Indian reservation roads, out of the Highway Trust Fund, $75,000,000 for the fiscal year ending September 30, 1983, and $100,000,000 per fiscal year for each of the fiscal years ending September 30, 1984, September 30, 1985, and September 30, 1986.

(4) For the Virgin Islands, all such sums as may be required for the continued presence and operation of the office of the territorial representative of the Federal Highway Administration in St. Thomas, Virgin Islands.

(5) For parkways and park highways, out of the Highway Trust Fund, $75,000,000 for the fiscal year ending September 30, 1983 and $100,000,000 per fiscal year for each of the fiscal years ending September 30, 1984, September 30, 1985, and September 30, 1986.

(6) For the forest highways, out of the Highway Trust Fund, $50,000,000 (reduced by the amount authorized by section 4(a)(3) of the Federal-Aid Highway Act of 1982) for the fiscal year ending September 30, 1983, and $50,000,000 per fiscal year for each of the fiscal years ending September 30, 1984, September 30, 1985, and September 30, 1986.

(7) For public lands highways, out of the Highway Trust Fund, $50,000,000 (reduced by the amount authorized by section 4(a)(4) of the Federal-Aid Highway Act of 1982) for the fiscal year ending September 30, 1983, and $50,000,000 per fiscal year for each of the fiscal years ending September 30, 1984, September 30, 1985, and September 30, 1986.

(b) Section 151 of the Federal-Aid Highway Act of 1978 is repealed.

(c) In the case of fiscal years 1983 and 1984, each State shall, with respect to any Federal funds available to such State for expenditure on the Federal-aid primary system in excess of the amount apportioned to such State under section 104(b)(1) of title 23, United States Code, for such expenditure in fiscal year 1982, give priority consideration to those priority primary routes designated in Committee Print Numbered 97-61 of the Committee on Public Works and Transportation of the House of Representatives.

(d) Of the sums apportioned to each State under subsections (a)(1) and (a)(2) of this section for each fiscal year, beginning with fiscal year 1984, not less than 40 per centum of such program funds shall be expended by such State on projects for resurfacing, restoring, rehabilitating, and reconstructing existing highways unless the State certifies to the Secretary that such percentage of funds is in excess of the resurfacing, restoring, rehabilitating, and reconstructing needs of existing highways in the State and the Secretary accepts such certification. The requirement of the preceding sentence shall apply only to that portion of a State's apportionment not used for reimbursing such State for bond retirement under section 122 of title 23, United States Code, or for advance construction funding under section 115 of title 23, United States Code.

(e) Section 4(a) of the Federal-Aid Highway Act of 1982 is amended by striking out "a joint resolution making continuing appropriations for such fiscal year," and inserting in lieu thereof "Public Law 97-276,".

(f) Except to the extent that the Secretary determines otherwise, not less than 10 per centum of the amounts authorized to be appropriated under this Act shall be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals as defined by section 8(d) of the Small Business Act (15 U.S.C. section 637(d)) and relevant subcontracting regulations promulgated pursuant thereto.

INTERSTATE RESURFACING

SEC. 106. Section 105 of the Surface Transportation Assistance Act of 1978 is amended by strking out "and not to exceed $800,000,000 for the fiscal year ending September 30, 1984." and inserting in lieu thereof "not to exceed $1,950,000,000 for the fiscal year ending September 30, 1984, not to exceed $2,400,000,000 for the fiscal year ending September 30, 1985, not to exceed $2,800,000,000 for the fiscal year ending September 30, 1986, and not to exceed $3,150,000,000 for the fiscal year ending September 30, 1987.".

INTERSTATE TRANSFERS

SEC. 107. (a)(1) Section 103(e)(4) of title 23, United States Code, is amended by striking out the eighth sentence and inserting in lieu thereof the following: "For the fiscal year ending September 30, 1983, $257,000,000 shall be available out of the Highway Trust Fund for expenditure at the discretion of the Secretary for projects under highway assistance programs. For the fiscal years ending September 30, 1984, September 30, 1985, and September 30, 1986, sums obligated for projects under highway assistance programs shall be paid out of the Highway Trust Fund, and $700,000,000 shall be available for expenditure during each of the fiscal years ending September 30, 1984, and September 30, 1985, and $725,000,000 shall be available for expenditure during the fiscal year ending September 30, 1986. Twenty-five per centum of the funds available from the Highway Trust Fund for each of the fiscal years ending September 30, 1984, September 30, 1985, and September 30, 1986, for substitute highway projects under this paragraph shall be distributed at the discretion of the Secretary. The remaining 75 per centum of such

funds shall be apportioned in accordance with cost estimates approved by Congress. The Secretary shall make an estimate of the cost of completing substitute highway projects under this paragraph and transmit the same to the Senate and the House of Representatives as soon as practicable after the date of enactment of this sentence. Upon approval of such cost estimate by Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for substitute highway projects for the fiscal year ending September 30, 1984. The Secretary shall make a revised estimate of the cost of completing substitute highway projects under this paragraph and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1984, and upon approval by Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for substitute highway projects for the fiscal years ending September 30, 1985, and September 30, 1986. There are authorized to be appropriated for liquidation of obligations incurred under this pararaph the sums provided in section 4(g) of the Urban Mass Transportation Act of 1964. Fifty per centum of the funds appropriated for each fiscal year beginning after September 30, 1983, for carrying out substitute transit projects under this paragraph shall be distributed at the discretion of the Secretary. The remaining 50 per centum of such funds shall be apportioned in accordance with cost estimates approved by Congress. The Secretary shall make an estimate of the cost of completing substitute transit projects under this paragraph and transmit the same to the Senate and the House of Representatives as soon as practicable after the date of enactment of this sentence. Upon approval of such cost estimate by Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for substitute transit projects for the fiscal year ending September 30, 1984. The Secretary shall make a revised estimate of the cost of completing substitute transit projects under this paragraph and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1984, and upon approval by Congress, the Secretary shall use the Federal share of such approved estimate in making apportionments for substitute transit projects for the fiscal years ending September 30, 1985, and September 30, 1986.".

(2) Section 103(e)(4) of title 23, United States Code, is amended by striking out the sixth sentence and inserting in lieu thereof the following: "The sums apportioned under this paragraph for public mass transit projects shall remain available for the fiscal year for which apportioned and for the succeeding fiscal year. The sums available for obligation under this paragraph for projects under any highway assistance program shall remain available for the fiscal year for which apportioned and for the succeeding fiscal year. Any sums which are apportioned to a State for a fiscal year and are unobligated (other than an amount which, by itself, is insufficient to pay the Federal share of the cost of a substitute project which has been submitted by the State to the Secretary for approval) at the end of such fiscal year shall be apportioned among those States which have obligated all sums (other than such an amount) apportioned to them for such fiscal year, in accordance with the latest approved es-

timate of the cost of completing the appropriate substitute projects in such States.".

(b) Section 103(e)(4) of title 23, United States Code, is amended by adding at the end thereof the following: "Any route or segment thereof which was statutorily designated after March 7, 1978, to be on the Interstate System shall not be eligible for withdrawal or substitution under this subsection.".

(c)(1) Section 103(e)(4) of title 23, United States Code, is further amended by—

(A) inserting in the second sentence after the words "approved by Congress," the following: "or up to and including the 1983 interstate cost estimate, whichever is earlier,";

(B) striking out in the second sentence "the date of enactment of the Federal-Aid Highway Act of 1976 or" and "whichever is later, and in accordance with the design of the route or portion thereof that is the basis of the latest cost estimate";

(C) inserting in the second sentence after "approval of each substitute project under this paragraph," the following: "or the date of approval of the 1983 interstate cost estimate, whichever is earlier,".

(2) Notwithstanding any other provision of law, with respect to any route or portion thereof on the Interstate System approval of which is or has been withdrawn under section 103(e)(4) of title 23, United States Code, in any case where the sum determined under the second sentence of such section is less than the cost to complete the withdrawn route or portion (in accordance with the design of such route or portion on the date of such withdrawal) as of June 30, 1980, as a result of decreases in construction costs, the sum which shall be available to the Secretary under such sentence shall be an amount equal to such cost of completion as of June 30, 1980.

(d) The third sentence of section 103(e)(4) of title 23, United States Code, is amended by striking out the period and inserting in lieu thereof the following: ", and except that with respect to any route which on May 12, 1982, is under judicial injunction prohibiting its construction the Secretary may approve substitute projects and withdrawals on such route until September 30, 1985.".

(e)(1) The first sentence of section 103(e)(4) of title 23, United States Code is amended by striking "which is within an urbanized area or which passes through and connects urbanized areas within a State and".

(2) The second sentence of section 103(e)(4) of title 23, United States Code is amended by striking "which will serve the urbanized area and the connecting nonurbanized area corridor from which the interstate route or portion thereof was withdrawn, which are selected by the responsible local officials of the urbanized area or area to be served, and which are submitted by the Governor of the State in which the withdrawn route was located." and inserting in lieu thereof, "which will serve the area or areas from which the interstate route or portion thereof was withdrawn, which are selected by the responsible local officials of the area or areas to be served, and which are selected by the Governor or the Governors of the State or the States in which the withdrawn route was located if the withdrawn route was not within an urbanized area or did not pass through and connect urbanized areas, and which are submitted by

the Governors of the States in which the withdrawn route was located.".

(f) The first sentence of section 122 of title 23, United States Code, is amended to read as follows: "Any State that shall use the proceeds of bonds issued by the State, county, city, or other political subdivision of the State for the construction of one or more projects on the Federal-aid primary or Interstate System, or extensions of any of the Federal-aid highway systems in urban areas, or for substitute highway projects approved under section 103(e)(4) of this title, may claim payment of any portion of the sums apportioned to it for expenditure on such system or on highway projects approved under section 103(e)(4) of this title to aid in the retirement of the principal of such bonds the proceeds of which were used for projects on the Federal-aid primary system or extensions of any of the Federal-aid highway systems in urban areas and the retirement of the principal and interest of such bonds the proceeds of which were used for projects on the Interstate System at their maturities, to the extent that the proceeds of such bonds have been actually expended in the construction of one or more of such projects.".

(g) Section 107(e) of the Federal-Aid Highway Act of 1978 is amended by adding at the end thereof the following new sentence: "For purposes of this subsection, the term 'construction' has the meaning such term has under section 101(a) of title 23, United States Code.".

FEDERAL-AID PRIMARY FORMULA

SEC. 108. (a) Notwithstanding section 104(b)(1) of title 23, United States Code, and any other provision of law, amounts authorized for fiscal years 1983, 1984, 1985, and 1986 for the Federal-aid primary system (including extensions in urban areas and priority primary routes) shall be apportioned in accordance with this section. The Secretary of Transportation shall determine for each State the higher of (1) the amount which would be apportioned to such State under section 104(b)(1) of title 23, United States Code, and (2) the amount which would be apportioned to such State under the following formula:

> *One-half in the ratio which the population of rural areas of each State bears to the total population of rural areas of all the States as shown by the latest available Federal census and one-half in the ratio which the population in urban areas in each State bears to the total population in urban areas in all the States as shown by the latest Federal census.*

(b) The Secretary of Transportation shall, for each of the fiscal years 1983, 1984, 1985, and 1986, determine the total of the amounts determined for each State under subsection (a) and shall determine the ratio which the total amount authorized for such fiscal year for the Federal-aid primary system bears to the total of such amounts determined under subsection (a) for such fiscal year.

(c) The amount which shall be apportioned to each State for the Federal-aid primary system (including extensions in urban areas and priority primary routes) for each of the fiscal years 1983, 1984, 1985, and 1986 shall be the amount determined for such State

under subsection (a), multiplied by the ratio determined under subsection (b).

(d) Notwithstanding any other provision of law, no State shall receive an apportionment under this section for any fiscal year which is less than the lower of (1) the amount which the State would be apportioned for such fiscal year under section 104(b)(1) of title 23, United States Code, and (2) the amount which would be determined under the formula set forth in subsection (a). Notwithstanding any other provision of law, no State shall receive for any such fiscal year less than one-half of 1 per centum of the total apportionment under this section for such fiscal year. For purposes of this paragraph and subsection (b) of section 103 of this title, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands shall be considered together as one State. The State consisting of the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Mariana Islands shall not receive less than one-half of 1 per centum of each year's apportionment. There are authorized to be appropriated such sums as may be necessary out of the Highway Trust Fund to carry out this subsection. Funds authorized by this subsection shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code.

(e) Amounts apportioned under this section shall be deemed to be amounts apportioned under section 104(b)(1) of title 23, United States Code, for purposes of such title and all other provisions of law. Terms used in this section shall have the same meaning such terms have in chapter 1 of title 23, United States Code.

(f) Section 103(b)(1) of title 23, United States Code, is amended by striking out "or Puerto Rico" and inserting in lieu thereof "Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands."

ENERGY IMPACTED ROADS

SEC. 109. (a) Section 105 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(h) In preparing programs to submit in accordance with subsection (a) of this section, the State highway departments may give priority to projects for the reconstruction, resurfacing, restoration, or rehabilitation of highways which are incurring a substantial use as a result of transportation activities to meet national energy requirements and which will continue to incur such use, and in approving such programs the Secretary may give priority to such projects.".

(b) Section 120 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

(k) Notwithstanding any other provision of this section, the Federal share payable on account of any project under this title to reconstruct, resurface, restore, and rehabilitate any highway which the Secretary determines, at the request of any State, is incurring a substantial use as a result of transportation activities to meet national energy requirements and will continue to incur such use is 85 per centum of the cost of such project.".

RESURFACING STANDARDS

SEC. 110. (a) Section 109 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(o) It is the intent of Congress that any project for resurfacing, restoring, or rehabilitating any highway, other than a highway access to which is fully controlled, in which Federal funds participate shall be constructed in accordance with standards to preserve and extend the service life of highways and enhance highway safety.".

(b) The Secretary of Transportation shall enter into appropriate arrangements with the National Academy of Sciences (1) to conduct a study of the safety cost-effectiveness of geometric design criteria of standards currently in effect for construction and reconstruction of highways, other than highways access to which is fully controlled, to determine the most appropriate minimum standards to apply to resurfacing, restoration, and rehabilitation projects on such highways, which study shall include a study of the cost effectiveness of the hot dip galvanizing process for the installation, repair, or replacement of exposed structural and miscellaneous steel, and (2) to propose standards to preserve and extend the service life of such highways and enhance highway safety. The National Academy of Sciences shall conduct such study in cooperation with the National Transportation Safety Board, the Congressional Budget Office, and the American Association of State Highway and Transportation Officials. Upon completion of such study, the National Academy of Sciences shall submit such study and its proposed standards to the Secretary of Transportation for review. Within ninety days after submission of such standards to the Secretary of Transportation, the Secretary shall submit such study and the proposed standards of the National Academy of Sciences, together with the recommendations of the Secretary, to Congress for approval.

(c)(1) The Secretary of Transportation is directed to coordinate a study with the National Bureau of Standards, the American Society for Testing and Materials, and other organizations as deemed appropriate, (A) to determine the existing quality of design, construction, products, use, and systems for highways and bridges; (B) to determine the need for uniform standards and criteria for design, processing, products, and applications, including personnel training and implementation of enforcement techniques; and (C) to determine the manpower needs and costs of developing a national system for the evaluation and accreditation of testing and inspection agencies.

(2) The Secretary shall submit such study to the Congress not later than one year after the date of enactment of this section.

VENDING MACHINES

SEC. 111. Notwithstanding section 111 of title 23, United States Code, before October 1, 1983, any State may permit the placement of vending machines in rest and recreation areas and in safety rest areas constructed or located on rights-of-way of the National System of Interstate and Defense Highways in such State. Such vending machines may only dispense such food, drink, and other articles as the State highway department determines are appropriate and desirable. Such vending machines may only be operated by the State. In

permitting the placement of vending machines under this section, the State shall give priority to vending machines which are operated through the State licensing agency designated pursuant to section 2(a)(5) of the Act of June 20, 1936, commonly known as the Randolph-Sheppard Act (20 U.S.C. 107a(a)(5)). The costs of installation, operation, and maintenance of vending machines under this section shall not be eligible for Federal assistance under title 23, United States Code.

LETTING OF CONTRACTS

SEC. 112. Section 112 of title 23, United States Code, is amended—

(1) in subsection (b) by striking out "unless the Secretary shall affirmatively find that, under the circumstances relating to such project, some other method is in the public interest" and inserting in lieu thereof "unless the State highway department demonstrates, to the satisfaction of the Secretary, that some other method is more cost effective"; and

(2) in subsection (e) by striking out the period at the end and inserting in lieu thereof the following: ", except where employees of a political subdivision of a State are working on a project outside of such political subdivision.".

CONSTRUCTION IN ADVANCE OF APPORTIONMENT

SEC. 113. (a) Section 115(b)(2) of title 23, United States Code, is amended by striking out "1978" each place it appears and inserting in lieu thereof "1983".

(b) Section 115(b) of title 23, United States Code, is amended by adding at the end thereof the following:

"(3) Subject to the provisions of this paragraph, the cost of construction of a project, the Federal share of which the Secretary is authorized to pay under this subsection, shall include the amount of any interest earned and payable on bonds issued by the State to the extent that the proceeds of such bonds have actually been expended in the construction of such project. In no event shall the amount of interest considered as a cost of construction of a project under the preceding sentence be greater than the excess of (A) the amount which would be the estimated cost of construction of the project if the project were to be constructed at the time the project is converted to a regularly funded, project, over (B) the actual cost of construction of such project (not including such interest). The Secretary shall consider changes in construction cost indices in determining the amount under clause (A) of this paragraph.".

(c) Section 115(a) of title 23, United States Code, is amended to read as follows:

"(a)(1) When a State has obligated all funds apportioned or allocated to it under section 103(e)(4), 104, or 144 of this title, other than Interstate funds, and proceeds to construct any highway substitute, Federal-aid system, or bridge project, respectively, other than an Interstate project funded under section 104(b)(5) of this title, without the aid of Federal funds in accordance with all procedures and all requirements applicable to such a project, except insofar as such procedures and requirements limit a State to the construction of proj-

ects with the aid of Federal funds previously apportioned to it, the Secretary, upon application by such State and his approval of such application, is authorized to pay to such State the Federal share of the costs of construction of such project when additional funds are apportioned to such State under section 103(e)(4), 104, or 144, respectively, of this title if—

"(A) prior to the construction of the project the Secretary approves the plans and specifications therefor in the same manner as other projects, and

"(B) the project conforms to the applicable standards adopted under section 109 of this title.

"(2) The Secretary may not approve an application under this section unless an authorization for section 103(e)(4), 104, or 144 of this title, as the case may be, is in effect for the fiscal year for which the application is sought beyond the currently authorized funds for such State. No application may be approved which will exceed the State's expected apportionment of such authorizations.".

(d) Section 115(c) of title 23, United States Code, is amended by striking "104" and inserting in lieu thereof "103(e)(4), 104, or 144".

MAINTENANCE

SEC. 114. The second sentence of subsection (c) of section 116 of title 23, United States Code, is amended to read as follows: "If, within ninety days after receipt of such notice, such project has not been put in proper condition of maintenance, the Secretary shall withhold approval of further projects of all types in the State highway district, municipality, county, other political or administrative subdivision of the State, or the entire State in which such project is located, whichever the Secretary deems most appropriate, until such project shall have been put in proper condition of maintenance.".

INTERSTATE DISCRETIONARY FUNDS

SEC. 115. (a) Section 118(b) of title 23, United States Code, is amended to read as follows:

"(b)(1) Sums apportioned to each Federal-aid system (other than the Interstate System) shall continue available for expenditure in that State for the appropriate Federal-aid system or part thereof (other than the Interstate System) for a period of three years after the close of the fiscal year for which such sums are authorized and any amounts so apportioned remaining unexpended at the end of such period shall lapse.

"(2) Except as otherwise provided in this subsection, sums apportioned for the Interstate System in any State shall remain available for expenditure in that State for the Interstate System until the end of the fiscal year for which authorized. Sums not obligated within the time period prescribed by the preceding sentence shall be made available by the Secretary for projects on the Interstate System (other than projects for which sums are apportioned under section 104(b)(5)(B)) in accordance with the following priorities: First, for high cost projects which directly contribute to the completion of an Interstate segment which is not open to traffic; and second, for projects of high cost in relation to a State's apportionment. Sums may only be made available under this paragraph in any State if the

Secretary determines that the State has obligated all of its apportionments other than an amount which, by itself, is insufficient to pay the Federal share of the cost of a project on the Interstate System which has been submitted by such State to the Secretary for approval, and the applicant is willing and able to (A) apply the funds to a ready-to-commence project; and (B) in the case of construction work, begin work within ninety days of obligation. Sums made available under this paragraph shall remain available until expended.

"(3) Any amount apportioned to the States for the Interstate System under subsection (b)(5)(B) of section 104 of this title shall continue to be available for expenditure in that State for a period of two years after the close of the fiscal year for which such sums are authorized. Sums not obligated within the time period prescribed by the preceding sentence shall be made available by the Secretary for projects for resurfacing, restoring, rehabilitating, and reconstructing the Interstate System to any other State applying for such funds, if the Secretary determines that the State has obligated all of its apportionments under such subsection other than an amount which, by itself, is insufficient to pay the Federal share of the cost of such a project which has been submitted by such State to the Secretary for approval, and the applicant is willing and able to (A) obligate the funds within one year of the date the funds are made available; (B) apply them to a ready-to-commence project; and (C) in the case of construction work, begin work within ninety days of obligation. Sums made available under this paragraph shall remain available until expended.

"(4) Sums apportioned to a Federal-aid system for any fiscal year shall be deemed to be expended if a sum equal to the total of the sums apportioned to the State for such fiscal year and previous fiscal years is obligated. Any Federal-aid highway funds released by the payment of the final voucher or by the modification of the formal project agreement shall be credited to the same class of funds, primary, secondary, urban, or interstate, previously apportioned to the State and be immediately available for expenditure.".

"(b) Section 118 of title 23 United States Code is amended by relettering subsections (c) and (d) as subsections (e) and (f), respectively, and by adding after subsection (b) thereof the following new subsections:

"(c) Before any apportionment is made under section 104(b)(5)(A) of this title for a fiscal year beginning after September 30, 1983, the Secretary shall set aside $300,000,000. Such amount shall be available only for obligation by the Secretary in accordance with subsection (b)(2) of this section.

"(d) In addition to amounts otherwise available to carry out this section, an amount equal to the amount by which the unobligated apportionment for the Interstate System in any State is reduced under section 103(e)(4) of this title on account of the withdrawal of a route or portion thereof on the Interstate System, which withdrawal is approved after the date of enactment of this subsection, shall be available to the Secretary for obligation in accordance with subsection (b)(2) of this section.".

INTERSTATE SYSTEM RESURFACING TRANSFERS

SEC. 116. (a)(1) Section 119(a) of title 23, United States Code, is amended by inserting after the first sentence the following: "In addition to projects approved under the preceding sentence, beginning with funds apportioned for fiscal year 1984, the Secretary may approve projects for resurfacing, restoring, rehabilitating, and reconstructing those routes or portions thereof on the Interstate System designated before the date of enactment of this sentence under section 139(a) of this title (other than routes on toll roads not subject to a Secretarial agreement provided for in section 105 of the Federal-Aid Highway Act of 1978) which routes or portions were so designated in conjunction with the withdrawal of approval of another route or portion thereof on the Interstate System under section 103(e)(4) of this title.".

(2) The last sentence of section 119(a) of title 23, United States Code, is amended by striking out "designated under sections 103 and 139(c) of this title" and inserting in lieu thereof "under this subsection".

(3) The last sentence of section 139(a) of title 23, United States Code, is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", except that any State may use funds available to it under section 104(b)(1) of this title and, beginning with funds apportioned for fiscal year 1984, under section 104(b)(5)(B) of this title for the resurfacing, restoring, rehabilitating, and reconstructing of any route or portion thereof on the Interstate System on which a project may be approved under the second sentence of section 119(a) of this title.".

(b) The last subsection of section 119 of title 23, United States Code, is relettered as subsection (c).

(c) Section 119 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) Upon application by a State and approval by the Secretary, the Secretary may authorize the transfer of so much of the amount apportioned to such State for any fiscal year under paragraph (5)(A) of subsection (b) of section 104 of this title, as does not exceed the Federal share of the cost of segments of the Interstate System open to traffic in such State (other than high occupancy vehicle lanes), in the most recent cost estimate, to the apportionment under paragraph (5)(B) of subsection (b) of section 104 of this title, except that not more than 50 per centum of the total apportionment under such paragraph (5)(A) for a fiscal year shall be transferred under this subsection for such fiscal year. The next cost estimate submitted to Congress under paragraph (5)(A) of subsection (b) of such section 104 of the cost of completing segments of the Interstate System open to traffic in that State (other than high occupancy vehicle lanes) shall be reduced for such State in an amount equal to the amount transferred under this subsection.".

FEDERAL SHARE

SEC. 117. (a) Section 120(c) of title 23, United States Code, is amended by adding at the end thereof the following new sentence: "Notwithstanding subsection (a) of this section, the Federal share payable on account of any project financed with primary funds on

the Interstate System for resurfacing, restoring, rehabilitating, and reconstructing shall be the percentage provided in this subsection.".

(b) Section 120(d) of title 23, United States Code, is amended by inserting "or for pavement marking" after "signalization" and by adding at the end thereof the following: "The Federal share payable on account of any project for traffic control signalization under section 103(e)(4) of this title may amount to 100 per centum of the cost of construction of such project.".

(c) Section 120 of title 23, United States Code, is amended by adding at the end thereof the following new subsection:

"(j) Nothwithstanding any other provision of this section (other than subsection (i)), of this title, or of any other law, in any case where a State elects to use funds apportioned to it for any Federal-aid system for any project under sections 143, 148, and 155, of this title and for those priority primary routes under section 147 of this title designated in Committee Print Numbered 97-61 of the Committee on Public Works and Transportation of the House of Representatives, the Federal share payable on account of such project shall be 95 per centum of the cost thereof, unless—

"(1) such project is on land owned by the United States in which case the Federal share shall be 100 per centum of the cost of such project, or

"(2) a Federal share of the cost of the project greater than 95 per centum is specifically authorized by law.".

FRINGE AND CORRIDOR PARKING

SEC. 118. Section 137 of title 23, United States Code, is amended by inserting the following new subsection (f):

"(f)(1) The Secretary may approve for Federal financial assistance from funds apportioned under section 104(b)(5)(B) of this title, projects for designating existing facilities, or for acquisition of rights of way or construction of new facilities, for use as preferential parking for carpools, provided that such facilities (A) are located outside of a central business district and within an interstate highway corridor, and (B) have as their primary purpose the reduction of vehicular traffic on the interstate highway.

"(2) Nothing in this subsection, or in any rule or regulation issued under this subsection, or in any agreement required by this subsection, shall prohibit (A) any State, political subdivision, or agency or instrumentality thereof, from contracting with any person to operate any parking facility designated or constructed under this subsection, or (B) any such person from so operating such facility. Any fees charged for the use of any such facility in connection with the purpose of this subsection shall not be in excess of the amount required for operation and maintenance, including compensation to any person for operating the facility.

"(3) For the purposes of this subsection, the terms 'facilities' and 'parking facilities' are synonymous and shall have the same meaning given 'parking facilities' in subsection (c) of this section.".

NONDISCRIMINATION

SEC. 119. (a) The first and third sentences of subsection (a) of section 140 of title 23, United States Code, are amended by striking the

words "or national origin" and inserting in lieu thereof the words ", national origin, or sex".

(b) Section 140 of title 23, United States Code, is amended by adding new subsection (c) as follows:

"(c) The Secretary, in cooperation with any other department or agency of the Government, State agency, authority, association, institution, corporation (profit or nonprofit), or any other organization or person, is authorized to develop, conduct, and administer training programs and assistance programs in connection with any program under this title in order that minority businesses may achieve proficiency to compete, on an equal basis, for contracts and subcontracts. Whenever apportionments are made under subsection 104(a) of this title, the Secretary shall deduct such sums as he may deem necessary, not to exceed $10,000,000 per fiscal year, for the administration of this subsection. The provisions of section 3709 of the Revised Statutes, as amended (41 U.S.C. 5), shall not be applicable to contracts and agreements made under the authority herein granted to the Secretary notwithstanding the provisions of section 302(c) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252(e)).".

(c) The title of section 140 of title 23, United States Code, is amended to read as follows:

"§ 140. Nondiscrimination"

and the analysis of chapter 1 of title 23, United States Code, is amended by striking out

"140. Equal employment opportunity."

and inserting in lieu thereof

"140. Nondiscrimination.".

PUBLIC TRANSPORTATION

SEC. 120. (a) The last sentence of section 142(a)(1) of title 23, United States Code, is amended by inserting "and the cost of providing shuttle service to and from the facility" after "of the facility" and by inserting "and for providing such shuttle service" after "operating the facility".

(b) Section 142 of title 23, United States Code, is amended as follows:

(1) In subsection (a)(1) delete in the first sentence the words "bus lanes" and insert in lieu thereof "high occupancy vehicle lanes" and delete the words "bus and other" and insert in lieu thereof "high occupancy vehicle and".

(2) In subsection (b) delete the word "bus" and insert in lieu thereof "high occupancy vehicle".

(3) In subsection (f) delete the words "public mass transportation systems" and insert in lieu thereof "high occupancy vehicles".

BRIDGE PROGRAM APPORTIONMENT

SEC. 121. (a) Subsection (e) of section 144 of title 23, United States Code, is amended to read as follows:

"(e) Funds authorized to carry out this section shall be apportioned among the several States on October 1 of the fiscal year for

which authorized in accordance with this subsection. Each deficient bridge shall be placed into one of the following categories: (1) Federal-aid system bridges eligible for replacement, (2) Federal-aid system bridges eligible for rehabilitation, (3) off-system bridges eligible for replacement, and (4) off-system bridges for rehabilitation. The square footage of deficient bridges in each category shall be multiplied by the respective unit price on a State-by-State basis, as determined by the Secretary; and the total cost in each State divided by the total cost of the deficient bridges in all States shall determine the apportionment factors. No State shall receive more than 10 per centum or less than 0.25 per centum of the total apportionment for any one fiscal year. The Secretary shall make these determinations based upon the latest available data, which shall be updated annually.".

(b) The amendment made by subsection (a) of this section shall take effect October 1, 1982, and shall apply with respect to each fiscal year beginning on or after such date. Notwithstanding subsection (e) of section 144 of title 23, United States Code, as soon as practical after the date of enactment of this Act, the Secretary of Transportation shall apportion under such subsection (e), as amended by subsection (a) of this section, sums authorized to be appropriated to carry out such section 144 for the fiscal year ending September 30, 1983.

HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION

SEC. 122. (a) Subsection (g) of section 144 of title 23, United States Code, is amended by inserting after "(g)" the following: "(1)". Such subsection is further amended by striking out the fourth and fifth sentences and by adding at the end thereof the following:

"(2) Of the amount authorized per fiscal year for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986, by section 5(a)(1) of the Federal-Aid Highway Act of 1982 and section 202(1) of the Highway Safety Act of 1982, all but $200,000,000 per fiscal year shall be apportioned as provided in subsection (e) of this section. $200,000,000 per fiscal year of the amount authorized for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986, shall be available for obligation on the date of each such apportionment in the same manner and to the same extent as the sums apportioned on such date, except that the obligation of such $200,000,000 shall be at the discretion of the Secretary and shall be only for projects for those highway bridges the replacement or rehabilitation cost of each of which is more than $10,000,000, and for any project for a highway bridge the replacement or rehabilitation costs of which is less than $10,000,000 if such cost is at least twice the amount apportioned to the State in which such bridge is located under subsection (e) of this section for the fiscal year in which application is made for a grant for such bridge. Not less than 15 per centum nor more than 35 per centum of the amount apportioned to each State in each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986, shall be expended for projects to replace or rehabilitate highway bridges located on public roads, other than those on a Federal-aid

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system. The Secretary after consultation with State and local officials may, with respect to a State, reduce the requirement for expenditure for bridges not on a Federal-aid system when he determines that such State has inadequate needs to justify such expenditure.".

(b) Notwithstanding section 144 of title 23, United States Code, and any other provision of law, the Secretary of Transportation may approve under such section 144 (including subsection (g)) a project to relocate and replace (1) any bridge across a river located on a two-lane Federal-aid highway which is in a slide area, in a flood plain, and in the vicinity of and north of Cloverdale, California, together with (2) all highways and approaches required as a result of such relocation and replacement.

(c) Notwithstanding section 144 of title 23, United States Code, and any other provision of law, the Secretary of Transportation may approve under such section 144 (including subsection (g)) a project to replace the LaSalle Peru Bridge which is part of a complete replacement of United States 51 in a new location.

CARPOOL AND VANPOOL PROJECTS

SEC. 123. (a) Section 120(d) of title 23, United States Code, is amended by inserting before ", may amount to 100 per centum" the following: "or for commuter carpooling and vanpooling".

(b) The Secretary of Transportation is authorized and directed to expend such sums as are necessary out of the administrative funds authorized by subsection (a) of section 104, title 23, United States Code, to carry out the provisions of subsection (d) of section 126 of the Federal-Aid Highway Act of 1978.

ALLOCATION OF URBAN FUNDS

SEC. 124. Section 150 of title 23, United States Code, is amended by adding the following sentence at the end thereof: "Funds allocated to an urbanized area under the provisions of this section may, at the request of the Governor and upon approval of the appropriate local officials of the area and the Secretary, be transferred to the allocation of another such area in the State or to the State for use in any urban area.".

HAZARD ELIMINATION PROGRAM EXTENSION

SEC. 125. Subsection (c) of section 152 of title 23, United States Code, is amended to read as follows:

"(c) Funds authorized to carry out this section shall be available for expenditure on any public road (other than a highway on the Interstate System).".

FEDERAL LANDS HIGHWAYS PROGRAM

SEC. 126. (a) Section 202 of title 23, United States Code, is amended to read as follows:

"§ 202. Allocations

"(a) On October 1 of each fiscal year, the Secretary shall allocate the sums authorized to be appropriated for such fiscal year for

forest highways according to the relative needs of the various elements of the national forest system as determined by the Secretary, taking into consideration the need for access as identified by the Secretary of Agriculture through renewable resource and land use planning, and the impact of such planning on existing transportation facilities.

"(b) On October 1 of each fiscal year, the Secretary shall allocate the sums authorized to be appropriated for such fiscal year for forest development roads and trails according to the relative needs of the various national forests. Such allocation shall be consistent with the renewable resource and land use planning for the various national forests.

"(c) On October 1 of each fiscal year, the Secretary shall allocate the sums authorized to be appropriated for such fiscal year for public lands highways among those States having unappropriated or unreserved public lands, nontaxable Indian lands or other Federal reservations, on the basis of need in such States, respectively, as determined by the Secretary upon application of the State highway departments of the respective States. The Secretary shall give preference to those projects which are significantly impacted by Federal land and resource management activities.

"(d) On October 1 of each fiscal year, the Secretary shall allocate the sums authorized to be appropriated for such fiscal year for park roads and parkways each according to the relative needs of the various elements of the national park system, taking into consideration the need for access as identified through land use planning and the impact of such planning on existing transportation facilities.

"(e) On October 1 of each fiscal year, the Secretary shall allocate the sums authorized to be appropriated for such fiscal year for Indian reservation roads according to the relative needs of the various reservations as jointly identified by the Secretary and the Secretary of the Interior.".

(b) Section 204 of title 23, United States Code, is amended to read as follows:

"§ 204. Federal Lands Highways Program

"(a) Recognizing the need for all Federal roads which are public roads to be treated under the same uniform policies as roads which are on the Federal-aid systems, there is established a coordinated Federal lands highways program which shall consist of the forest highways, public lands highways, park roads, parkways, and Indian reservation roads as defined in section 101 of this title.

"(b) Funds available for forest highways and public lands highways shall be used by the Secretary to pay for the cost of construction and improvement thereof. Funds available for park roads, parkways, and Indian reservation roads shall be used by the Secretary of the Interior to pay for the cost of construction and improvement thereof. In connection therewith, the Secretary and the Secretary of the Interior, as appropriate, may enter into construction contracts and such other contracts with a State or civil subdivision thereof or Indian tribe as deemed advisable. In the case of Indian reservation roads, Indian labor may be employed in such construction and improvement under such rules and regulations as may be prescribed by the Secretary of the Interior. No ceiling on Federal em-

ployment shall be applicable to construction or improvement of Indian reservation roads.

"(c) Before approving as a project on an Indian reservation road any project on a Federal-aid system in a State, the Secretary must determine that the obligation of funds for such project is supplementary to and not in lieu of the obligation, for projects on Indian reservation roads, of a fair and equitable share of funds apportioned to such State under section 104 of this title.

"(d) Cooperation of States, counties, or other local subdivisions may be accepted in construction and improvement, and any funds received from a State, county, or local subdivision shall be credited to appropriations available for the class of Federal lands highways to which such funds were contributed.

"(e) Construction of each project shall be performed by contract awarded by competitive bidding, unless the Secretary or the Secretary of the Interior shall affirmatively find that, under the circumstances relating to such project, some other method is in the public interest. Notwithstanding the foregoing, the provisions of section 23 of the "Buy Indian" Act of June 25, 1910 (36 Stat. 891), and the provisions of section 7(b) of the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2205) shall apply to all funds administered by the Secretary of the Interior which are appropriated for the construction and improvement of Indian reservation roads.

"(f) All appropriations for the construction and improvement of each class of Federal lands highways shall be administered in conformity with regulations and agreements jointly approved by the Secretary and the Secretary of the appropriate Federal land managing agency.

"(g) The Secretary shall transfer to the Secretary of Agriculture from appropriations for forest highways such amounts as may be needed to cover necessary administrative expenses of the Forest Service in connection with forest highways.

"(h) Funds available for each class of Federal lands highways shall be available for adjacent vehicular parking areas and scenic easements.".

(c)(1) The twelfth undesignated paragraph of section 101(a) of title 23, United States Code, defining the term "park roads and trails", is amended to read as follows:

"The term 'park road' means a public road that is located within or provides access to an area in the national park system.".

(2) The tenth undesignated paragraph of section 101(a) of title 23, United States Code, defining the term "Indian reservation roads and bridges" is amended by striking out "The term 'Indian reservation roads and bridges' means roads and bridges, including roads and bridges" and inserting in lieu thereof "The term 'Indian reservation roads' means public roads, including roads".

(3) Section 101(a) of title 23, United States Code, is amended by adding after the third undesignated paragraph, defining the term "county", the following:

> *"The term 'Federal lands highways' means forest highways, public lands highways, park roads, parkways, and Indian reservation roads which are public roads.".*

(d) Sections 206, 207, 208, 209, and 214(c) of title 23, United States Code, are repealed.

(e) The analysis of chapter 2 of title 23, United States Code, is amended—

(1) by striking out

"202. Apportionment for allocation."

and inserting in lieu thereof

"202. Allocations.";

(2) by striking out

"204. Forest highways."

and inserting in lieu thereof

"204. Federal lands highways program.";

and

(3) by striking out

"206. Park roads and trails.
"207. Parkways.
"208. Indian reservation roads.
"209. Public lands highways."

and inserting in lieu thereof

"206. Repealed.
"207. Repealed.
"208. Repealed.
"209. Repealed.".

(f) Sections 201 and 203 of title 23, United States Code, are amended by striking out "park roads and trails" wherever it appears and inserting in lieu thereof "park road".

BICYCLE TRANSPORTATION

SEC. 126. Section 217 of title 23, United States Code, is amended to read as follows:

"§ 217. Bicycle transportation and pedestrian walkway

"(a) To encourage energy conservation and the multiple use of highway rights-of-way, including the development and improvement of pedestrian walkways on or in conjunction with highway rights-of-way, the States may, as Federal-aid highway projects, construct pedestrian walkways. Sums apportioned in accordance with paragraphs (1), (2), and (6) of section 104(b) of this title shall be available for pedestrian walkways authorized under this section and such projects shall be located and designed pursuant to an overall plan which will provide due consideration for safety and contiguous routes.

"(b)(1) To encourage energy conservation, including the development, improvement, and use of bicycle transportation, the States may, as Federal-aid highway projects, construct new or improved lanes, paths, or shoulders; traffic control devices, shelters for and parking facilities for bicycles, and carry out nonconstruction projects related to safe bicycle use. Sums apportioned in accordance with paragraphs (1), (2), and (6) of section 104(b) of this title shall be available for bicycle projects authorized under this section and such projects shall be located and designed pursuant to an overall plan which will provide due consideration for safety and contiguous routes.

"(2) In any case where a highway bridge deck being replaced or rehabilitated with Federal financial participation is located on a highway, other than a highway access to which is fully controlled, on which bicycles are permitted to operate at each end of such bridge, and the Secretary determines that the safe accommodation of bicycles can be provided at reasonable cost as part of such replacement or rehabilitation, then such bridge shall be so replaced or rehabilitated as to provide such safe accommodations.

"(3) No bicycle project shall be authorized by this section unless the Secretary shall have determined that such bicycle project will be principally for transportation, rather than recreation, purposes.

"(c) For all purposes of this title, a pedestrian walkway project authorized by subsection (a) of this section shall be deemed to be a highway project, and the Federal share payable on account of such pedestrian walkway project shall be 100 per centum.

"(d) For all purposes of this title, a bicycle project authorized by subsection (b) of this section shall be deemed to be a highway project, and the Federal share payable on account of such bicycle project shall be 100 per centum.

"(e) Funds authorized for forest highways, forest development roads and trails, public lands development roads and trails, park roads, parkways, Indian reservation roads, and public lands highways shall be available, at the discretion of the department charged with the administration of such funds, for the construction of pedestrian walkways in conjunction with such trails, roads, highways, and parkways.

"(f) Funds authorized for forest highways, forest development roads and trails, public lands development roads and trails, park roads, parkways, Indian reservation roads, and public lands highways shall be available, at the discretion of the department charged with the administration of such funds, for the construction of bicycle routes.

"(g) No motorized vehicles shall be permitted on trails and walkways authorized under this section except for maintenance purposes and, when snow conditions and State or local regulations permit, snowmobiles.

"(h) Not more than $45,000,000 of funds authorized to be appropriated in any fiscal year may be obligated for projects authorized by subsections (a), (b), (e), and (f) of this section. No State shall obligate more than $4,500,000 for such projects in any fiscal year, except that the Secretary may, upon application, waive this limitation for a State for any fiscal year.".

PARKING RAMPS AND FRONTAGE ROADS

SEC. 127. (a) Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is further amended by adding before the last sentence thereof a new sentence as follows: "Notwithstanding any other provision of law, including any other provision of this subsection, where a project is to be constructed (1) to provide parking garage ramps in conjunction with high occupancy vehicle lanes which flow into a distributor system emptying directly into ramps for off-street parking with preferential parking for carpools, vanpools, and buses and the ramps are part of an environmental miti-

gation effort and are designed to feed into an aerial walkway system, or (2) to provide a parking lot near the terminus of an Interstate System spur route which radiates from an Interstate System beltway which will be used as an intermodal transfer facility for a light rail transit project to be constructed in the median of the spur route and the parking lot is part of an environmental mitigation effort, or (3) to provide a parking garage and associated facilities as part of an intermodal transfer facility with a transit system near or within an Interstate System route right-of-way which will have direct and indirect access to the facility by way of local streets and the parking garage and associated facilities are part of an environmental mitigation effort, or (4) to provide for the comprehensive upgrading of existing high occupancy vehicle lanes, new ramps and parking facilities at mass transit intermodal transfer points on an existing Interstate System route which has temporary high occupancy vehicle lanes in the median and the parking facilities and ramps are part of an environmental mitigation effort, the costs of such parking garage ramps, parking lots, parking garages, associated interchange ramps, high occupancy vehicle lanes, and other associated work eligible under title 23, United States Code, shall be eligible for funds authorized by this subsection as if the costs for these projects were included in the 1981 interstate cost estimate and shall be included as eligible projects in any future interstate cost estimate.".

(b) Notwithstanding the provisions of section 108(b) of the Federal-Aid Highway Act of 1956, as amended, the Secretary of Transportation may approve the expenditure of funds authorized under such section for the construction of a previously approved project which provides for improvements to and reconstruction of ramps and service roads which are being developed as part of a roadway system to relieve a severely congested segment on an Interstate route. Such expenditures shall be limited (1) to work necessary to provide more effective and safe operation of such Interstate route, and (2) to a section of an Interstate route which proceeded to construction contract prior to the date of enactment of such Act and which Interstate route, together with service roads, was constructed without the expenditure of any funds authorized by such section.

PROJECT ELIGIBILITY

SEC. 128. In any case where a project involving a Federal-aid primary route not on the Interstate System, and a route on the Interstate System which was originally constructed without the expenditure of any funds authorized under section 108(b) of the Federal-Aid Highway Act of 1956, as amended, and was subsequently added to the Interstate System, both occupying a common alignment and having elements which have been approved in concept by the Secretary of Transportation as part of a project providing for the upgrading of an interchange on such Interstate route, the cost of improvements in the vicinity of the interchange necessary to upgrade the safety of that part of such Federal-aid primary route not on a common alignment with such Interstate route in an environmentally acceptable manner shall be eligible for the expenditure of funds authorized by such section 108(b).

ACCELERATION OF PROJECTS

SEC. 129. The Secretary of Transportation shall by rule or regulation establish, as soon as practicable, alternative methods for processing projects under title 23, United States Code, so as to reduce the time required from the request for project approval through the completion of construction. In carrying out this section the Secretary shall utilize the knowledge and experience resulting from the demonstration project authorized by and carried out under section 141 of the Federal-Aid Highway Act of 1976.

FOUR-LANE BRIDGES

SEC. 130. Whenever any law of the United States, enacted after January 1, 1970, and before the date of enactment of this Act, authorizes payment, in financing the relocation of an existing road, for the cost of construction of a two-lane bridge with a substructure and deck truss capable of supporting a four-lane bridge, payment for the cost of completing the construction of such bridge as a four-lane bridge is authorized upon the completion of such substructure and deck truss.

DEMONSTRATION PROJECTS

SEC. 131. (a)(1) The Secretary of Transportation is authorized to carry out a demonstration project in Los Angeles County, California, for the purpose of demonstrating methods of improving the motor vehicle transportation of freight to and from areas for the transshipment of waterborne commerce.

(2) There is authorized to be appropriated to carry out this subsection, out of the Highway Trust Fund, not to exceed $19,000,000 for the fiscal year ending September 30, 1983, not to exceed $19,000,000 for the fiscal year ending September 30, 1984, and not to exceed $20,000,000 for the fiscal year ending September 30, 1985.

(3) Funds authorized by this subsection shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection shall be 100 per centum of the total cost thereof and such funds shall remain available until expended.

(b)(1) The Secretary of Transportation shall carry out a highway project to demonstrate state of the art technology which can be applied to a section of highway the construction of which will close a gap of not more than 10 miles in a multi-lane limited access approach road through hilly terrain connecting a city (not directly connected to the Interstate System by such an approach road) with a route on such System on which tolls are charged. For comparison purposes, the highway section shall connect both highway construction using current technology and older completed highway construction. The project shall demonstrate the latest high-type geometric design features and new advances in highway traffic control and safety hardware. All design elements, including the highway pavement, shall be designed to provide the best life-cycle costs, thereby minimizing future maintenance costs. The Secretary of Transportation shall provide necessary technical assistance in the design and

construction of the project. Upon completion of the project, the highway shall be added to the Federal-aid primary system.

(2) Not later than one year, six years and eleven years after the completion of the state of the art technology project, the Secretary of Transportation shall submit reports to the Congress, including but not limited to the results of such project, the effects of using the best available technology on safety and other considerations, recommendations for applying the results to other highway projects, and any changes that may be necessary by law to permit further use of such features.

(3) There is authorized to be appropriated to carry out this subsection, out of the Highway Trust Fund, not to exceed $5,000,000 for the fiscal year ending September 30, 1983, $10,000,000 for the fiscal year ending September 30, 1984, and $62,000,000 for the fiscal year ending September 30, 1985. Such funds shall be available until expended, shall be available for obligation in the same manner and to the same extent as if apportioned under chapter 1 of title 23, United States Code, and shall not be subject to any obligation limitation. The Federal share payable for the state of the art technology project shall be 100 per centum.

(c)(1) The Secretary of Transportation shall conduct a project to demonstrate state of the art methods of repairing damaged highways, and preventing damage to highways, resulting from shoreline erosion. Such project shall be carried out in the vicinity of Buhne Point, Humboldt Bay, California, at a cost not to exceed $9,000,000 for fiscal years beginning after September 30, 1982, out of the Highway Trust Fund.

(2) The Secretary of Transportation may enter with the heads of other departments, agencies, and instrumentalities of the Federal Government into such arrangements as may be necessary to carry out the provisions of this subsection.

(3) The Secretary of Transportation shall submit to Congress a report on the results of the demonstration project not later than 180 days after completion of such project.

(4) Funds authorized by this subsection shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection shall be 100 per centum of the total cost thereof and such funds shall remain available until expended.

(d)(1) The Secretary of Transportation is authorized to carry out a demonstration project in the vicinity of East Baton Rouge, Louisiana, for the purpose of demonstrating the efficacy of reducing traffic congestion in the immediate vicinity of a partial-diamond, partial-cloverleaf interchange which connects an east-west highway on the Interstate System and a four lane highway not on such system by providing a direct access ramp to, and a travel lane on, the Interstate highway and by eliminating a crossover which is used for access to the Interstate highway.

(2) There is authorized to be appropriated to carry out this subsection, out of the Highway Trust Fund, not to exceed $5,000,000 for the fiscal years beginning after September 30, 1982.

(3) Funds authorized by this subsection shall be available for obligation in the same manner and to the same extent as if such funds

were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection shall be 100 per centum of the total cost thereof and such funds shall remain available until expended.

(e)(1) The Secretary of Transportation is authorized to carry out a demonstration project in the vicinity of Louisville, Kentucky, for the purpose of demonstrating methods of accelerating construction of high traffic sections of highways on the Federal-aid primary system which are directly connected to the Interstate System.

(2) The Secretary of Transportation shall submit to Congress a report on the results of the demonstration project carried out under this subsection not later than 180 days after completion of such project.

(3) There is authorized to be appropriated to carry out this subsection, out of the Highway Trust Fund, not to exceed $25,000,000 for the fiscal year ending September 30, 1983, and not to exceed $27,000,000 for the fiscal year ending September 30, 1984. Any amount obligated after December 1, 1982, and before the date of enactment of this Act for a project described in paragraph (1) of this subsection from funds apportioned under section 104 of title 23, United States Code, may be deobligated and funds authorized by this subsection may be obligated for such project in place of such deobligated amounts. Any amounts deobligated under the preceding sentence shall be recredited to the State's apportionment from which such amounts were obligated.

(4) Funds authorized by this subsection shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection shall be 100 per centum of the total cost thereof and such funds shall remain available until expended.

(f)(1) The Secretary of Transportation, in cooperation with the State of Vermont, shall carry out a project to demonstrate the feasibility of reducing the time and the cost required to complete highway projects, other than projects on the Interstate System, in areas that require improved access between rapidly growing suburban areas and established urban core areas, by extending the coverage of State certifications under section 117(a) of title 23 of the United States Code, to any Federal law, regulation, or policy that applies to such projects.

(2) In implementing this subsection, the Secretary shall review applications for projects submitted by the State of Vermont with respect to which the State agrees to assume the responsibility of the Secretary with regard to any such Federal law, regulation, or policy. The Secretary shall be deemed to have fulfilled his responsibility under such law, regulation, or policy, provided that—

(A) the Secretary finds that the State has procedures which are sufficient to assure that the project will be carried out in accordance with the provisions of such law, regulation, or policy;

(B) the State highway department is authorized and consents to accept the jurisdiction of the Federal courts in any suit brought to enforce any such Federal law or regulation; and

(C) the State highway department certifies that the project has been carried out in accordance with the procedures specified under subparagraph (A) of this paragraph.

(3) In carrying out the demonstration project authorized under this subsection, the Secretary may continue to discharge his responsibilities directly with respect to those laws, regulations, and policies for which he finds State procedures are not sufficient.

(4) In implementing this subsection, the Secretary shall consider the procedures developed pursuant to section 141 of the Federal-Aid Highway Act of 1976, as amended, and shall encourage the State to carry out its responsibilities in cooperation with appropriate political subdivisions of the State.

(5) There is authorized to be appropriated out of the Highway Trust Fund to carry out the project authorized under this subsection a sum not to exceed $50,000,000.

(6) Funds authorized by this subsection shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection shall be 100 per centum of the total cost thereof and such funds shall remain available until expended.

(7) Not later than six months after the completion of such project, the Secretary shall submit a report to Congress which includes, but is not limited to, a description of the methods used to accomplish the project and the changes, if any, required to adopt expanded certification. The report should also contain recommendations for applying the methods to other highway projects, and any changes to existing law which may be necessary to permit more widespread use of expanded certification acceptance.

(g)(1) The Secretary of Transportation is authorized to carry out demonstration projects in and around Devils Lake, North Dakota, for the purpose of demonstrating construction techniques to prevent wave erosion on closed basin lakes with grade level highway crossings.

(2) The Secretary is authorized to reimburse from funds authorized by paragraph (3) the State of North Dakota for funds previously expended on projects described in paragraph (1).

(3) There is authorized to be appropriated, out of the Highway Trust Fund, to carry out this subsection not to exceed $4,500,000 for the fiscal year ending September 30, 1983.

(4) Funds authorized by this subsection shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection shall not exceed 75 per centum of the total cost thereof and such fund shall remain available until expended.

(h)(1) The Secretary of Transportation is authorized to carry out a demonstration project on the Federal-aid urban system for the construction of a high level bridge over a high volume intercoastal waterway segment. The project shall demonstrate the reduced congestion resulting in the downtown area from the construction of such bridge which serves a major port. Such project shall be subject to the provisions of chapter 1 of title 23, United States Code, applicable to highway projects on the Federal-aid system.

(2) There is authorized to be appropriated to carry out this subsection, out of the Highway Trust Fund, not to exceed $23,000,000 for the fiscal year ending September 30, 1983. Such sums shall remain available until expended.

(3) In carrying out this subsection, the Secretary shall consult with the Secretary of the Army and the Commandant of the Coast Guard concerning permit procedures which will expedite completion of this bridge.

(4) The Secretary shall report to Congress upon completion of this project the results of this demonstration project, together with any recommendations the Secretary deems necessary.

(i)(1) The Secretary of Transportation, in cooperation with the State of Idaho, shall conduct a demonstration project on a primary segment of highway experiencing a high incidence of truck accidents and a project to demonstrate cooperation between two railroads and a small urban area. The highway project shall include an analysis of factors contributing to truck accidents such as weather conditions, sight distance, road curvature, roadway width, and gradient and shall also include an analysis of the benefit-cost ratio of certain safety improvements implemented to correct hazards contributing to truck accidents. The railroad crossing project shall demonstrate the benefits of having no railroad through the center of a small urban community.

(2) There is authorized to be appropriated, out of the Highway Trust Fund, to carry out this subsection not to exceed $8,500,000.

(3) Funds authorized by this subsection shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code, except that the Federal share of the cost of any project under this subsection shall be 100 per centum of the total cost thereof and such funds shall remain available until expended.

(4) The Secretary of Transportation shall submit to Congress a report on the results of the demonstration project not later than 180 days after completion of such project.

(j)(1) The Secretary of Transportation shall conduct a demonstration project in the State of Illinois for the purpose of demonstrating the benefits of constructing usable segments of high-volume facilities, developing methods to achieve the effective implementation of massive capital investments made under Federal programs being discontinued.

(2) There are authorized to be appropriated to carry out this subsection, out of the Highway Trust Fund, $25,000,000 for each fiscal year beginning after September 30, 1982, and ending before October 1, 1986. Such sums shall be available until expended, shall be available for obligation in the same manner and to the same extent as if apportioned under chapter 1 of title 23, United States Code, and shall not be subject to any obligation limitation. The Federal share of the cost of any project under this subsection shall be 50 per centum of the total costs thereof.

FEDERAL SHARE OF BRIDGE PROJECTS

SEC. 132. Notwithstanding any other provision of law, during the two-year period beginning on the date of enactment of this section,

with respect to any project in the State of Tennessee for the replacement or rehabilitation of a bridge which is wholly funded from State and local sources, is eligible for Federal funds under section 144 of title 23, United States Code, is certified by the State to have been carried out in accordance with all standards applicable to such projects under such section 144, and is determined by the Secretary upon completion to be no longer a deficient bridge, any amount expended after July 1, 1982, from such State and local sources for such project in excess of 20 per centum of the cost of construction thereof may be credited to the non-Federal share of the cost of other projects in such State which are eligible for Federal funds under such section 144, in accordance with procedures established by the Secretary.

VEHICLE WEIGHT, LENGTH, AND WIDTH LIMITATIONS

SEC. 133. (a) Section 127 of title 23 of the United States Code is amended to read:

"§ 127. Vehicle weight limitations—Interstate System

"(a) No funds authorized to be appropriated for any fiscal year under provisions of the Federal-Aid Highway Act of 1956 shall be apportioned to any State which does not permit the use of the National System of Interstate and Defense Highways within its boundaries by vehicles with a weight of twenty thousand pounds carried on any one axle, including enforcement tolerances, or with a tandem axle weight of thirty-four thousand pounds, including enforcement tolerances, or a gross weight of at least eighty thousand pounds for vehicle combinations of five axles or more. However, the maximum gross weight to be allowed by any State for vehicles using the National System of Interstate and Defense Highways shall be twenty thousand pounds carried on one axle, including enforcement tolerances, and a tandem axle weight of thirty-four thousand pounds, including enforcement tolerances and with an overall maximum gross weight, including enforcement tolerances, on a group of two or more consecutive axles produced by application of the following formula:

$$W=500\left(\frac{LN}{N-1}+12N+36\right)$$

where W equals overall gross weight on any group of two or more consecutive axles to the nearest five hundred pounds, L equals distance in feet between the extreme of any group of two or more consecutive axles, and N equals number of axles in group under consideration, except that two consecutive sets of tandem axles may carry a gross load of thirty-four thousand pounds each providing the overall distance between the first and last axles of such consecutive sets of tandem axles is thirty-six feet or more: Provided, That such overall gross weight may not exceed eighty thousand pounds, including all enforcement tolerances, except for those vehicles and loads which

cannot be easily dismantled or divided and which have been issued special permits in accordance with applicable State laws, or the corresponding maximum weights permitted for vehicles using the public highways of such State under laws or regulations established by appropriate State authority in effect on July 1, 1956, except in the case of the overall gross weight of any group of two or more consecutive axles, on the date of enactment of the Federal-Aid Highway Amendments of 1974, whichever is the greater. Any amount which is withheld from apportionment to any State pursuant to the foregoing provisions shall lapse. This section shall not be construed to deny apportionment to any State allowing the operation within such State of any vehicles or combinations thereof which the State determines could be lawfully operated within such State on July 1, 1956, except in the case of the overall gross weight of any group of two or more consecutive axles, on the date of enactment of the Federal-Aid Highway Amendments of 1974. With respect to the State of Hawaii, laws or regulations in effect on February 1, 1960, shall be applicable for the purposes of this section in lieu of those in effect on July 1, 1956. With respect to the State of Michigan, laws or regulations in effect on May 1, 1982, shall be applicable for the purposes of this subsection.

"(b) No State may enact or enforce any law denying reasonable access to motor vehicles subject to this title to and from the Interstate Highway System to terminals and facilities for food, fuel, repairs, and rest."

MARTIN LUTHER KING BRIDGE

SEC. 134. The Martin Luther King Bridge which crosses the Mississippi River between St. Louis, Missouri, and East St. Louis, Illinois, and is not on a Federal-aid system shall be eligible for assistance under section 144 of title 23, United States Code, to the same extent that any other bridge which is not on a Federal-aid system is eligible for assistance under such section, except that no such assistance shall be made available with respect to such bridge until such bridge—

(1) has been transferred to one or both of the States of Missouri and Illinois;

(2) is freed from tolls; and

(3) otherwise meets the eligibility requirements of such section, and the rules and regulations promulgated thereunder.

MANPOWER STUDY

SEC. 135. The Secretary of Transportation shall undertake to enter into appropriate arrangements with the National Academy of Sciences' Transportation Research Board to conduct a comprehensive study and investigation of future transportation professional manpower needs, including but not limited to prevailing methods of recruitment, training, and financial and other incentives and disincentives which encourage or discourage retention in service of such professional manpower by Federal, State, and local governments. In entering into any arrangement with the National Academy of Sciences for conducting such study and investigation, the Secretary shall request the National Academy of Sciences to report to the Sec-

retary and the Congress not later than two years after the enactment of this Act on the results of such study and investigation, together with its recommendations. The Secretary shall furnish to the Academy at its request any information which the Academy deems necessary for the purpose of conducting the study and investigation authorized by this section.

FERRYBOAT STUDY

SEC. 136. The Office of Technology Assessment shall conduct a comprehensive investigation and study of the feasibility of a high speed ferryboat operation over the waters of the Caribbean Sea between Saint Croix and Saint Thomas in the Virgin Islands in accordance with this section. The Department of Transportation, the Army Corps of Engineers, the National Oceanic and Atmospheric Administration, and all other agencies, offices, and instrumentalities of the United States shall assist the Office in conducting an objective investigation and study of such projected operation. The Office shall evaluate this projected operation for its feasibility under various degrees of commercial and government sponsorship. The Office shall complete and transmit a report on such investigation and study to the Congress no later than January 1, 1984.

STUDY OF FACTORS IN APPORTIONMENT FORMULAS

SEC. 137. (a) The Secretary of Transportation shall study and determine the need for including weather-related factors, particularly the effects of freezing and thawing, in the apportionment formulas for Federal-aid highways under section 104 of title 23, United States Code. The Secretary shall report to Congress not later than four months after the date of enactment of this Act on the results of such study and shall include in such report specific recommendations for changing such apportionment formulas to take into account weather-related factors.

(b)(1) The Secretary of Transportation shall make a full and complete study regarding the procedures for distributing Federal financial assistance for resurfacing, restoring, rehabilitating, and reconstructing routes on the Interstate System in order to maintain a high level of transportation service. The study shall analyze current conditions and factors including, but not limited to, volume and mix of traffic, weight and size of vehicles, environmental, geographical, and meteorological conditions in various States, and other pertinent factors that can be utilized to determine the most equitable and efficient method of apportioning such Federal financial assistance to the several States. In conducting the study the Secretary shall consider such criteria as need, national importance, impact on individual State highway programs, structural and operational integrity, and any other relevant criteria, to determine the most equitable method of distribution.

(2) In conducting this study the Secretary shall consult with other agencies of the Federal Government, the States and their political subdivisions, and other interested private organizations, groups, and individuals.

(3) The Secretary shall report to Congress not later than four months after the date of enactment of this section the results of such study together with recommendations for necessary legislation.

REPORT REGARDING LONGER COMBINATION COMMERCIAL MOTOR VEHICLES

SEC. 138. (a) Within one year after the date of enactment of this Act, the Secretary of Transportation, after consultation with the transportation officials and Governors of the several States and after an opportunity for public comment, shall submit to Congress a detailed report on the potential benefits and costs, if any, to shippers, receivers, operators of commercial motor vehicles, and the general public, that reasonably may be anticipated from the establishment of a national intercity truck route network for the operation of a special class of longer combination commercial motor vehicles.

(b) For the purposes of this section—

(1) the term "longer combination commercial motor vehicles" means multiple-trailer combinations consisting of (A) truck tractor-semitrailer-full trailer, and (B) truck tractor-semitrailer-full trailer-full trailer combinations with an overall length not in excess of one hundred and ten feet; and

(2) the term "national intercity truck route network" means a network consisting of a number of controlled-access, interconnecting segments of the National System of Interstate and Defense Highways and other highways of comparable design and traffic capacity including, but not limited to, all such highways where the operation of longer combination commercial motor vehicles is authorized on the date of enactment of this Act.

(c) The detailed report mandated by this section shall include, but need not be limited to, the following:

(1) a specific plan for the establishment of a national intercity truck route network, including the designation of those specific highway segments which would be required to connect the major distribution centers and markets for long-haul intercity freight service; except that the Secretary of Transportation shall not include in the plan any highway segment which, because of design limitations or other factors, cannot accommodate the safe operation of longer combination commercial motor vehicles;

(2) an analysis of the intercity motor freight volume that reasonably can be anticipated to be transported by longer combination commercial motor vehicles over the national intercity truck route network if such network is established by Congress;

(3) an analysis of the fuel savings that reasonably can be anticipated in the transportation of freight by commercial motor vehicle if such network is established by Congress;

(4) an analysis of the productivity gains that reasonably can be anticipated to be achieved in the transportation of freight by commercial motor vehicle if such network is established by Congress;

(5) an analysis of the fuel conservation and productivity gains historically achieved by operators of longer combination commercial motor vehicles;

(6) an analysis of the safety record of longer combination commercial motor vehicle operations that have been conducted prior to the date of enactment of this Act; and

(7) an analysis of the effect of the size and weight limitations as in effect after the date of enactment of this Act.

(d) In making the findings and determinations required by subsection (c) of this section, and in making the detailed report to Congress required by this section, the Secretary of Transportation shall assume that the longer combination commercial motor vehicles operating on the national intercity truck route network, if and when established by Congress, would be subject to the single- and tandem-axle weight limits imposed by section 127 of title 23, United States Code. The Secretary of Transportation shall further assume that the overall gross weight of such vehicles on a group of two or more consecutive axles shall be limited by the formula set forth in such section, and only by such formula.

(e) In making the detailed report to Congress required by this section, the Secretary of Transportation shall assume that longer combination commercial motor vehicles operating on the national intercity truck route network will have reasonable access to terminals, combination breakup areas, and food and fuel facilities consistent with safe operations of such vehicles.

(f) Nothing in this section shall be construed to establish Federal policy with regard to highway vehicle weight and size standards, nor shall anything in this section be construed to preempt or to affect any State law establishing highway vehicle weight or size standards. The provisions of this section require an investigation and study on the feasibility and propriety of making changes in vehicle weight and size standards which the Congress may choose to consider in the future.

CHANGE IN LOCATION OF INTERSTATE SEGMENTS

SEC. 139. (a) Notwithstanding the provisions of section 4(b) of the Federal-Aid Highway Act of 1981, the Secretary of Transportation may approve a change in location of any Interstate route or segment and approve, in lieu thereof, the construction of such Interstate route or segment on a new location if the original location of such route or segment meets the following criteria: (1) it has been designated under section 103(e) of title 23, United States Code; (2) it is serving Interstate travel as of the date of enactment of this section; (3) it requires improvements which are eligible under the Federal-Aid Highway Act of 1981, and which would either involve major modifications in order to meet acceptable standards or result in severe environmental impacts and such major modifications or mitigation measures relating to the environmental impacts are not cost effective. The cost of the construction of such Interstate route or segment on new location with funds available under section 108(b) of the Federal-Aid Highway Act of 1956, as amended, shall not exceed the estimated cost of the eligible improvements on the original location as eligible under the Federal-Aid Highway Act of 1981 and included in the 1983 Interstate cost estimate as approved by the Congress. Such cost shall be increased or decreased, as determined by the Secretary, based on changes in construction costs of the original

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location of the route or segment as of the date of approval of each project on the new location. Upon approval of a new location, and funds apportioned under section 104(b)(5)(A) of title 23, United States Code, which were expended on the route or segment in the original location shall be refunded to the Highway Trust Fund and credited to the unobligated balance of the State's apportionment made under section 104(b)(5)(A) of title 23, United States Code, and other eligible Federal-aid highway funds may be substituted in lieu thereof at the appropriate Federal share.

(b) Where the Secretary of Transportation approves a relocation of an Interstate route or segment under the provisions of subsection (a) of this section, such route or segment shall not be eligible for withdrawal under the provisions of section 103(e)(4) of title 23, United States Code, and shall be subject to the Interstate System completion deadlines provided in subsections (d) and (e) of section 107 of the Surface Transportation Assistance Act of 1978 or subject to Interstate System completion deadlines as may be determined by Congress.

ACCESS CONTROL DEMONSTRATION PROJECTS

SEC. 140. Section 150(b) of the Federal-Aid Highway Act of 1978 is amended by striking out "1983" and inserting in lieu thereof "1985".

REVISION OF PROJECT AGREEMENT

SEC. 141. Notwithstanding any other provision of law, as a condition of reimbursement of the Federal share of the cost of Federal-aid project 23-D-U-54 (100) in New Jersey, the Secretary of Transportation and the New Jersey Department of Transportation shall revise the project agreement for such project to make available financial assistance not to exceed $1,000,000 for the purpose of compensating businesses in the general vicinity of such project that have suffered monetary losses as a result of the temporary bypass established to accommodate the construction of the project.

INNOVATIVE TECHNOLOGIES

SEC. 142. (a) The Congress hereby finds and declares that it is in the national interest to encourage and promote utilization by the States of highway and bridge surfacing, resurfacing, or restoration materials which are produced from recycled materials or which contain asphalt additives to strengthen the materials. Such materials conserve energy and reduce the cost of resurfacing or restoring our highways.

(b) The Secretary of Transportation is hereby authorized for each of the fiscal years through September 30, 1985, to increase the Federal share as provided in sections 119, 120, and 144 of title 23, United States Code, by 5 per centum of any project submitted by the State highway departments which contains in the plans, specifications, and estimates submitted pursuant to section 106, of title 23, United States Code, the use of the materials described in subsection (a). To be eligible for such supplemental Federal assistance, significant

amounts of asphalt additives or recycled materials must be used in each project approved by the Secretary.

(c) The Secretary shall establish a procedure within ninety days of the date of enactment of this Act for increasing the Federal share under this section.

ENFORCEMENT OF HEAVY VEHICLE USE TAX

SEC. 143. (a) Section 141 of title 23, United States Code, is amended by adding subsection (d) as follows:

"(d) The Secretary shall reduce the State's apportionment of Federal-aid highway funds under section 104(b)(5) of this title in an amount up to 25 per centum of the amount to be apportioned in any fiscal year beginning after September 30, 1984, during which heavy vehicles, subject to the use tax imposed by section 4481 of the Internal Revenue Code of 1954, may be lawfully registered in the State without having presented proof of payment, in such form as may be prescribed by the Secretary of the Treasury, of the use tax imposed by section 4481 of such Code. Amounts withheld from apportionment to a State under this subsection shall be apportioned to the other States pursuant to the formulas of section 104(b)(5) of this title and shall be available in the same manner and to the same extent as other Interstate funds apportioned at the same time to other States.".

MONITORING OF EFFECT OF DOUBLE BOTTOM TRUCKS

SEC. 144. (a) The Secretary of Transportation shall undertake to enter into appropriate arrangements with the National Academy of Sciences to monitor the effects on the National System of Interstate and Defense Highways of the use of trucks with two trailing units, in light of the amendments made by this Act providing that no State shall prohibit the use of such vehicle combinations. Such monitoring shall include, but need not be limited to, determining the effects of the use of such vehicle combinations on highways and highway safety in urban and rural areas and in different regions of the country, taking into account differences in age and design features of highways on the Interstate System.

(b) The Secretary of Transportation shall request the National Academy of Sciences to submit a report to the Secretary and the Congress of such monitoring, not later than two years after appropriate arrangements are entered into under subsection (a). The Secretary shall furnish to the Academy, at its request, any information which the Academy deems necessary for the purpose of conducting such monitoring.

TEMPORARY MATCHING FUND WAIVER

SEC. 145. (a) Notwithstanding any other provision of law, the Federal share of any qualifying project approved by the Secretary of Transportation under section 106(a), and of any qualifying project for which the United States becomes obligated to pay under section 117, of title 23, United States Code, during the period beginning on the date of enactment of this Act and ending September 30, 1984,

shall be such percentage of the construction cost as the State highway department requests, up to and including 100 per centum.

(b) For purposes of this section, the term "qualifying project" means a project approved by the Secretary of Transportation under section 106(a) of title 23, United States Code, or a project for which the United States becomes obligated to pay under section 117 of title 23, United States Code, for which the Governor of the State submitting the project has certified, in accordance with regulations established by the Secretary of Transportation, that sufficient funds are not available to pay the cost of the non-Federal share of the project.

(c) The total amount which may be obligated for qualifying projects in any State under subsection (a) shall not be greater than the excess of—

(1) the sum of the amount of obligation authority distributed to such State for fiscal year 1983 under section 104(b) of this Act, plus the amount, if any, available to such State under section 155 of this Act, pertaining to minimum allocation, over

(2) the amount of obligation authority distributed to such State for fiscal year 1982 under section 3(b) of the Federal-Aid Highway Act of 1981.

(d) The total amount of such increases in the Federal share as are made pursuant to subsection (a) for any State shall be repaid to the United States by such State on or before September 30, 1984. Such payments shall be deposited in the Highway Trust Fund and such repaid amounts shall be credited to the appropriate apportionment accounts of such State.

(e) If a State has not made the repayment as required by subsection (d) of this section, the Secretary shall deduct from funds apportioned to such State under section 104(b) of title 23, United States Code, except for paragraph (5)(A), in each of the fiscal years ending September 30, 1985, and September 30, 1986, a pro rata share of each category of such apportioned funds, the total amount of which shall be equal to 50 per centum of the amount needed for repayment. Any amount deducted under this subsection shall be reapportioned for the fiscal years 1985 and 1986 in accordance with section 104(b)(1) of title 23, United States Code, to those States which have not received a higher Federal share under this section and to those States which have made the repayment required by subsection (d).

LANE RESTRICTIONS

SEC. 146. The State of California shall not restrict or require the restriction of the use of any lane on any Federal-aid highway in the unincorporated areas of Alameda County, California, to high occupancy vehicles, exclusive of approaches to controlled access highways, toll roads, or bridges.

UPGRADING CERTAIN INTERCHANGES

SEC. 147. Notwithstanding any other provision of law, in the case of any portion of a route on the Interstate System in the State of California which is open to traffic and which has less than two through lanes in either direction in the area where such route connects with a limited access highway on the Federal-aid primary system, a project to improve the portion of the Interstate route to a

design of six lanes and to upgrade the interchange between such Interstate route and primary route to accommodate such design shall be eligible for funds authorized by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, as if the costs of such project were included in the 1981 interstate cost estimate and shall be included as an eligible project in the 1983 interstate cost estimate and any later interstate cost estimate.

CONVICT LABOR

SEC. 148. Section 114(b) of title 23, United States Code, is amended by inserting after "Convict labor" the following: "or materials produced by convict labor".

PREVAILING RATE OF WAGE

SEC. 149. Section 113(a) of title 23, United States Code, is amended by striking out "initial".

MINIMUM ALLOCATION

SEC. 150. (a) Chapter 1 of title 23, United States Code is amended by adding at the end thereof the following new section:

"§ 157. Minimum allocation

"(a) In the fiscal year ending September 30, 1983, as soon as practicable after the date of enactment of this Act, and in each of the fiscal years ending September 30, 1984, September 30, 1985, and September 30, 1986, on October 1, the Secretary of Transportation shall allocate among the States, as defined in section 101 of this title amounts sufficient to insure that a State's percentage of the total apportionments in each such fiscal year of Interstate highway substitute, primary, secondary, Interstate, urban, bridge replacement and rehabilitation, hazard elimination, and rail-highway crossings funds under sections 103(e)(4), 104(b), 144, and 152 of this title and section 203 of the Highway Safety Act of 1973, as amended, shall not be less than 85 per centum of the percentage of estimated tax payments attributable to highway users in that State paid into the Highway Trust Fund, other than the Mass Transit Account, in the latest fiscal year for which data is available.

"(b) Amounts allocated pursuant to subsection (a) of this section shall be available for obligation when allocated for the year authorized plus the three succeeding fiscal years, shall be subject to the provisions of this title 23 and may be obligated for Interstate highway substitute, primary, secondary, Interstate, urban, bridge replacement and rehabilitation, hazard elimination, and rail-highway crossings projects. Obligation limitations for Federal-aid highways and highway safety construction programs established by this Act or any subsequent Act shall not apply to obligations made under this section, except where the provision of law establishing such limitation specifically amends or limits the applicability of this sentence. Sums allocated pursuant to this section shall not be considered to be sums allocated for purposes of section 104(b) of the Highway Improvement Act of 1982.

"(c) In order to carry out this section there is authorized to be appropriated out of the Highway Trust Fund, other than the Mass Transit Account, such sums as may be necessary for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986.".

(b) The analysis for chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following:

"157. Minimum allocation.".

DEMONSTRATION PROJECTS-RAIL HIGHWAY CROSSINGS

SEC. 151. Section 163(p) of the Federal-Aid Highway Act of 1973, as amended, is amended by inserting after "1982," the following: "and $50,000,000 for the fiscal year ending September 30, 1983, and $50,000,000 for the fiscal year ending September 30, 1984, and $50,000,000 for the fiscal year ending September 30, 1985, and $50,000,000 for the fiscal year ending September 30, 1986," and by adding at the end thereof the following: "Notwithstanding any other provision of this section, any project which is not under construction, according to the Secretary of Transportation, by September 30, 1985, shall not be eligible for additional funds under this authorization.".

STUDY OF METHANE CONVERSION FOR HIGHWAY FUEL USE

SEC. 152. The Secretary of Transportation shall study, out of any funds available to the Secretary of Transportation for research purposes, the potential for recovering methane which is released in the process of offshore oil drilling and converting such methane on a floating conversion plant located at the drilling site into methanol for use as a fuel for highway vehicles. Such study shall include, but need not be limited to, a determination of the quality and quantity of the methane which is released at offshore drilling sites at various locations and the costs involved in recovering such methane and converting it in the manner described in the preceding sentence. The Secretary shall also determine the permitting requirements which would apply to such floating conversion plants and the most effective way to implement those permitting requirements. The Secretary shall report to the Congress the results of the study under this section not later than one year after the date of enactment of this Act.

EMERGENCY RELIEF

SEC. 153. (a)(1) The first sentence of subsection (a) of section 125 of title 23, United States Code, is amended by striking the first sentence thereof and inserting in lieu thereof the following: "An emergency fund is authorized for expenditure by the Secretary, subject to the provisions of this section and section 120 of this title, for the repair or reconstruction of highways, roads, and trails which the Secretary shall find have suffered serious damage as the result of (1) natural disaster over a wide area such as by floods, hurricanes, tidal waves, earthquakes, severe storms, or landslides, or (2) catastrophic failures from any external cause, in any part of the United States. In no event shall funds be used pursuant to this section for the repair or reconstruction of bridges which have been permanently

closed to all vehicular traffic by the State or responsible local official because of imminent danger of collapse due to structural deficiencies or physical deterioration.".

(2) Subsection (a) of section 125 of title 23, United States Code, is further amended by inserting in the second sentence, as that sentence read prior to the amendments made by paragraph (1) of this subsection, after the word "appropriated" the words "from the Highway Trust Fund".

(b) Notwithstanding any other provision of law, all expenditures made under section 125 of title 23, United States Code, prior to the fiscal year ending September 30, 1978, are authorized to have been appropriated from the Highway Trust Fund.

(c) Subsection (a) of section 125 of title 23, United States Code, is amended by inserting in the second sentence after the words "after September 30, 1976," the words "and not more than $100,000,000 is authorized to be expended in any one fiscal year commencing after September 30, 1980,".

(d) Subsection (b) of section 125 of title 23, United States Code, is amended by striking the period at the end of the first sentence, inserting a colon in lieu thereof, and by adding the following: "Provided, That obligations for projects under this section, including those on highways, roads, and trails mentioned in subsection (c) of this section, resulting from a single natural disaster or a single catastrophic failure shall not exceed $30,000,000 in any State.".

(e) The amendments made by subsection (d) of this section shall apply to natural disasters or catastrophic failures which the Secretary finds eligible for emergency relief subsequent to the date of enactment of this section.

(f) Subsection (f) of section 120 of title 23, United States Code, is amended to read as follows:

"(f) the Federal share payable on account of any repair or reconstruction provided for by funds made available under section 125 of this title shall not exceed 100 per centum of the cost thereof: Provided, That the Federal share payable on account of any repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, parkways, public lands highways, public lands development roads and trails, and Indian reservation roads may amount to 100 per centum of the cost thereof. The total cost of a project may not exceed the cost of repair or reconstruction of a comparable facility. As used in this section with respect to bridges and in section 144 of this title, 'a comparable facility' shall mean a facility which meets the current geometric and construction standards required for the types and volume of traffic which such facility will carry over its design life.".

(g) All obligations for projects resulting from a natural disaster or catastrophic failure which the Secretary finds to be eligible for emergency relief subsequent to the date of enactment of this subsection shall provide for the Federal share required by subsection (f) of section 120 of title 23, United States Code, as amended by this section.

(h)(1) Subsection (b) of section 125 of title 23, United States Code, is amended by striking the words "the Federal-aid highway systems, including the Interstate System" and by inserting in lieu thereof the words "the Interstate System, the Primary System, and on any

routes functionally classified as arterials or major collectors," in the two places the stricken words appear.

(2) Subsection (c) of section 125 of title 23, United States Code, is amended by striking the words "on any of the Federal-aid highway systems" and inserting in lieu thereof the words "routes functionally classified as arterials or major collectors".

HIGHLAND SCENIC HIGHWAY

SEC. 154. Section 161(f) of the Federal-Aid Highway Act of 1973 is amended to read as follows:

"(f) The Highland Scenic Highway as authorized by subsection (a) of this section and all associated lands and rights-of-way shall be managed as part of the Monongahela National Forest for scenic and recreational purposes. Vehicle use shall be confined to passenger cars, recreational vehicles, and limited truck traffic to the extent such use is compatible with the purpose for which the highway was constructed. Commercial use by trucks shall be limited and controlled by permit.".

DEFENSE ACCESS ROAD

SEC. 155. Section 210(c) of title 23, United States Code, is amended by striking "Not exceeding $5,000,000 of any funds appropriated under the Act approved October 16, 1951 (65 Stat. 422)", and inserting in lieu thereof "Funds appropriated for defense maneuvers and exercises".

RESEARCH AND PLANNING

SEC. 156. (a) Subsection (c) of section 307, title 23, United States Code, is amended by adding paragraph (5) as follows:

"(5) The sums provided pursuant to paragraph (2) of this subsection shall be combined and administered by the Secretary as a single fund which shall be available for obligation for the same period as funds apportioned under section 104(b)(1) of this title.".

(b) Subsection (c)(2) of section 307, title 23, United States Code, is amended by striking "1964" and inserting in lieu thereof "1983", and by striking "section 104" and inserting in lieu thereof "sections 104 and 144".

(c) Section 120 of title 23, United States Code, is amended by adding a subsection (i) as follows:

"(l) The Federal share payable on account of any project financed under section 307(c) of this title shall be 85 per centum, except that in the case of any State containing nontaxable Indian lands, individual and tribal, and public domain lands (both reserved and unreserved) exclusive of national forests and national parks and monuments, exceeding 5 per centum of the total area of all lands therein, the Federal share shall be increased by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State is of its total area, except that such Federal share payable on any project in any State shall not exceed 95 per centum of the total cost of any such project.".

(d) Section 307(c)(1) of title 23, United States Code, is amended by adding in the last sentence after "highways and highway systems"

the words "and for study, research and training on engineering standards and construction materials, including evaluation and accreditation of inspection and testing,".

ALASKA HIGHWAY

SEC. 158. Subsection (a) of section 218 of title 23, United States Code, is amended by adding after the second sentence the following: "Notwithstanding any other provision of law, in addition to such funds, upon agreement with the State of Alaska, the Secretary is authorized to expend on such highway any Federal-aid highway funds apportioned to the State of Alaska under this title at a Federal share of 100 per centum. Notwithstanding any other provision of law, any obligation limitation enacted for fiscal year 1983 or for any other fiscal year thereafter shall not apply to projects authorized by the preceding sentence.".

DEFINITION

SEC. 159. The definition of the term "construction" in section 101(a), title 23, United States Code, is amended by striking the period at the end thereof and inserting in lieu thereof the following: "and also includes costs incurred by the State in performing Federal-aid project related audits which directly benefit the Federal-aid highway program."

REPORTS

SEC. 160. (a) Section 307 of title 23, United States Code, is amended by adding a new subsection (e) as follows:

"(e) The Secretary shall report to the Congress in January 1983, and in January of every second year thereafter, estimates of the future highway needs of the Nation."

(b) Section 3 of Public Law 89-139, 79 Stat. 578, August 28, 1965, and section 17 of the Federal-Aid Highway Act of 1968 are hereby repealed.

DISCRETIONARY BRIDGE CRITERIA

SEC. 161. The Secretary of Transportation shall develop a selection process for discretionary bridges authorized to be funded under section 144(g) of title 23, United States Code, and shall propose and issue a final regulation no later than six months after the date of enactment of this Act, including a formula resulting in a rating factor based on the following criteria for such process. Such criteria shall give funding priority to those discretionary bridges already eligible under section 144(g) of title 23, United States Code. Eligible bridges after the issuance of a final regulation shall only include those with a rating factor of one hundred or less, based on a scale of zero to infinity. The criteria for such additional bridges which the Secretary shall consider are:

(1) sufficiency rating computed as illustrated in appendix A of the Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges USDOT/FHWA (latest edition);

(2) average daily traffic using the most current value from the national bridge inventory data;

(3) average daily truck traffic;

(4) defense highway system status;

(5) the State's unobligated balance of funds received under section 144 of title 23, United States Code, and the total funds received under section 144 of title 23, United States Code;

(6) total project cost; and

(7) special consideration should be given to bridges closed to all traffic or restricted to loads less than ten tons. Other unique consideration and the need to administer the program from a balanced national perspective should also be considered.

WITHDRAWAL AND DESIGNATION OF CERTAIN INTERSTATE ROUTES

SEC. 166. (a) Notwithstanding the first sentence of section 103(e)(4) of title 23, United States Code, the Secretary of Transportation shall, upon application of the State of New Jersey, withdraw under such section 103(e)(4) his approval of the designation on the National System of Interstate and Defense Highways of the portion of Interstate Route 95 and Interstate Route 695 from the intersection with Interstate Route 295 in Hopewell Township, Mercer County, New Jersey, to the proposed intersection with Interstate Route 287 in Franklin Township, Somerset County, New Jersey.

(b) Notwithstanding any other provision of law, the Secretary of Transportation is authorized and directed, pursuant to section 103 of such title, to designate as part of the Interstate Highway System the New Jersey Turnpike from exit 10 to the interchange with the Pennsylvania Turnpike and the Pennsylvania Turnpike from such interchange to and including the proposed interchange with Interstate Route 95 in Bucks County, Pennsylvania.

(c) The Secretary of Transportation is further authorized and directed to designate the highways described in subsection (b) as Interstate Route 95 and assure through proper sign designations the orderly connection of Interstate Route 95 pursuant to this section.

USE OF HIGH OCCUPANCY LANES

SEC. 167. Notwithstanding any provision of this Act or any other law, no funds shall be appropriated for the construction or resurfacing of Federal aid highways which have lanes designated as carpool lanes unless the use of such lanes includes use by motorcycles. Upon certification by the State to the Secretary of Transportation, the State may restrict such use by motorcycles if such use would create a safety hazard.

INFRASTRUCTURE STUDY

SEC. 168. (a) The Committee on Public Works and Transportation is authorized to contract for the design and preparation of a National Public Works Inventory and Assessment and a preliminary analysis of relevant, existing data.

(b) The Committee on House Administration shall make available not more than $3,000,000 for the purpose specified in subsection (a).

BUY AMERICA

SEC. 169. (a) Notwithstanding any other provision of law, the Secretary of Transportation shall not obligate any funds authorized to be appropriated by this Act or by any Act amended by this Act or, after the date of enactment of this Act, any funds authorized to be appropriated to carry out this Act, title 23, United States Code, the Urban Mass Transportation Act of 1964, or the Surface Transportation Assistance Act of 1978 and administered by the Department of Transportation, unless steel, cement, and manufactured products used in such project are produced in the United States.

(b) The provisions of subsection (a) of this section shall not apply where the Secretary finds—

(1) that their application would be inconsistent with the public interest;

(2) that such materials and products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality;

(3) in the case of the procurement of bus and other rolling stock (including train control, communication, and traction power equipment) under the Urban Mass Transportation Act of 1964, that (A) the cost of components which are produced in the United States is more than 50 per centum of the cost of all components of the vehicle or equipment described in this paragraph, and (B) final assembly of the vehicle or equipment described in this paragraph has taken place in the United States;

(4) that inclusion of domestic material will increase the cost of the overall project contract by more than 10 per centum in the case of projects for the acquisition of rolling, stock, and 25 per centum in the case of all other projects.

(c) For purposes of this section, in calculating components' costs, labor costs involved in final assembly shall not be included in the calculation.

(d) The Secretary of Transportation shall not impose any limitation or condition on assistance provided under this Act, the Urban Mass Transportation Act of 1964, the Surface Transportation Assistance Act of 1978, or title 23, United States Code, which restricts any State from imposing more stringent requirements than this section on the use of articles, materials, and supplies mined, produced, or manufactured in foreign countries in projects carried out with such assistance or restricts any recipient of such assistance from complying with such State imposed requirements.

(e) Section 401 of the Surface Transportation Assistance Act of 1978 is repealed.

TITLE II

SHORT TITLE

SEC. 201. This title may be cited as the "Highway Safety Act of 1982".

HIGHWAY SAFETY AUTHORIZATIONS

SEC. 202. The following sums are hereby authorized to be appropriated:

(1) For bridge replacement and rehabilitation under section 144 of title 23, United States Code, out of the Highway Trust Fund, $1,600,000,000 (reduced by the amount authorized by section 5(a)(1) of the Federal-Aid Highway Act of 1982) for the fiscal year ending September 30, 1983, $1,650,000,000 for the fiscal year ending September 30, 1984, $1,750,000,000 for the fiscal year ending September 30, 1985, $2,050,000,000 for the fiscal year ending September 30, 1986.

(2) For projects for elimination of hazards under section 152 of title 23, United States Code, out of the Highway Trust Fund, $200,000,000 (reduced by the amount authorized by section 5(a)(2) of the Federal-Aid Highway Act of 1982) for the fiscal year ending September 30, 1983, $200,000,000 for the fiscal year ending September 30, 1984, $200,000,000 for the fiscal year ending September 30, 1985, and $200,000,000 for the fiscal year ending September 30, 1986.

HIGHWAY SAFETY

SEC. 203. (a)(1) There is hereby authorized to be appropriated for carrying out section 402 of title 23, United States Code (relating to highway safety programs), by the National Highway Traffic Safety Administration, out of the Highway Trust Fund, $100,000,000 per fiscal year for each of the fiscal years ending September 30, 1985, and September 30, 1986.

(2) Out of the funds authorized to be appropriated under paragraph (1) of this subsection for each of the fiscal years ending September 30, 1985, and September 30, 1986, not less than $20,000,000 per fiscal year shall be obligated under section 402 of title 23, United States Code, for the purpose of enforcing the fifty-five-miles-per-hour speed limit established by section 154 of such title.

(3) Each State shall expend each fiscal year not less than 2 per centum of the amount apportioned to it for such fiscal year of the sums authorized by paragraph (1) of this subsection, for programs to encourage the use of safety belts by drivers of, and passengers in, motor vehicles.

(b) Notwithstanding any other provision of law, the total of all obligations for highway safety programs carried out by the National Highway Traffic Safety Administration under section 402 of title 23, United States Code, shall not exceed $100,000,000 per fiscal year for each of the fiscal years ending September 30, 1985, and September 30, 1986, and the total of all obligations for highway safety programs carried out by the Federal Highway Administration under section 402 of title 23, United States Code, shall not exceed $10,000,000, per fiscal year for each of such fiscal years.

(c) Section 202 of the Highway Safety Act of 1978 is amended as follows:

(1) Paragraph (2) is amended by striking out "and September 30, 1984." and inserting in lieu thereof "September 30, 1984, September 30, 1985, and September 30, 1986.".

(2) Paragraph (3) is amended by striking out "and September 30, 1984." and inserting in lieu thereof "September 30, 1984, September 30, 1985, and September 30, 1986.".

(3) Paragraph (5) is amended by striking out "and September 30, 1984." and inserting in lieu thereof "September 30, 1984, September 30, 1985, and September 30, 1986.".

(d) Of the funds authorized to be appropriated by section 202(3) of the Highway Safety Act of 1978 for any fiscal year ending before October 1, 1982, which have not been obligated for expenditure before the date of enactment of this Act, $9,600,000 shall not be available for obligation, and shall no longer be authorized, on and after such date of enactment.

55 M.P.H. BENEFITS STUDY

SEC. 204. The Secretary of Transportation shall undertake to enter into appropriate arrangements with the National Academy of Sciences to conduct a comprehensive study and investigation of (1) the benefits, both human and economic, of lowered speeds due to the enactment of the 55 mile per hour National Maximum Speed Limit, with particular attention to savings to the taxpayers, and (2) whether the laws of each State constitute a substantial deterrent to violations of the maximum speed limit on public highways within such State. In entering into any arrangement with the National Academy of Sciences for conducting such study and investigation, the Secretary shall request the National Academy of Sciences to report to the Secretary and the Congress not later than twelve months after the date of enactment of this Act on the results of such study and investigation, together with its recommendations. The Secretary shall furnish to such Academy at its request any information which the Academy deems necessary for the purpose of conducting the investigation and study authorized by this section.

RAIL-HIGHWAY CROSSINGS

SEC. 205. The first sentence of subsection (b) of section 203 of the Highway Safety Act of 1973 (Public Law 93-87), as amended, is amended by inserting "and" after "1979," and by striking out "and September 30, 1982" and all that follows through the period at the end of such sentence and inserting in lieu thereof "September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986.".

PUBLIC INFORMATION

SEC. 206. Section 209 of the Highway Safety Act of 1978 is amended by striking out ", acting through the Administrator of the Federal Highway Administration," each place it appears, in subsection (g) by striking out "Federal Highway Administration to" and inserting in lieu thereof "Secretary of Transportation to", and by adding at the end of such section the following new subsection:

"(i) All provisions of chapter 1 of title 23, United States Code, that are applicable to Federal-aid primary highway funds, other than provisions relating to the apportionment formula and provisions limiting the expenditure of such funds to the Federal-aid sys-

tems, shall apply to the funds authorized to be appropriated to carry out this section, except as determined by the Secretary to be inconsistent with this section.".

SAFETY PERFORMANCE REPORTS

SEC. 207. The Secretary of Transportation shall prepare, publish, and submit to Congress not later than December 31 of each calendar year beginning after December 31, 1982, a report on the highway safety performance of each State in the preceding calendar year. Such report shall provide data on highway fatalities and injuries and motor vehicle accidents involving fatalities and injuries and travel in urban areas of each State for each system of highways and in rural areas of such State for each system of highways. Such report shall be in such form and contain such other information on highway accidents as will permit an evaluation and comparison of highway safety performance of the States. For purposes of this section (1) the systems of highways in a State are the Federal-aid primary system, the Federal-aid secondary system, the Federal-aid urban system, and the Interstate System (as such terms are defined in section 101 of title 23, United States Code) and the other highways in such State which are not on the Federal-aid system, and (2) the terms "State", "rural areas", and "urban area" have the meaning such terms have under such section 101.

ANNUAL APPORTIONMENT FORMULA

SEC. 208. The sixth sentence of section 402(c) of title 23, United States Code, is amended by striking out ", except that the apportionments to the Virgin Islands, Guam, and American Samoa shall not be less than one-third of 1 per centum of the total apportionment".

MINIMUM DRINKING AGE

SEC. 209. The Congress strongly encourages each State to prohibit the sale of alcoholic beverages to persons who are less than 21 years of age.

TITLE III

SHORT TITLE

SEC. 301. This title may be cited as the "Federal Public Transportation Act of 1982".

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 302. (a) The Urban Mass Transportation Act of 1964 is amended by striking out sections 21 and 22 and inserting in lieu thereof the following new section:

"AUTHORIZATIONS OF APPROPRIATIONS

"SEC. 21. (a)(1) There is hereby authorized to be appropriated to carry out the provisions of sections 9 and 18 of this Act not to exceed $2,750,000,000 for the fiscal year ending September 30, 1984, $2,950,000,000 for the fiscal year ending September 30, 1985, and

$3,050,000,000 for the fiscal year ending September 30, 1986, and funds appropriated under this subsection shall remain available until expended.

"(2)(A) There shall be available from the Mass Transit Account of the Highway Trust Fund only to carry out sections 9A and 18 of this Act $779,000,000 for fiscal year 1983.

"(B) There shall be available from the Mass Transit Account of the Highway Trust Fund only to carry out sections 3, 4(i), 8, and 16(b) of this Act $1,250,000,000 for fiscal year 1984, $1,100,000,000 for fiscal year 1985, and $1,100,000,000 for fiscal year 1986.

"(C) Notwithstanding any other provision of law, approval by the Secretary of a grant with funds made available under subparagraphs (A) and (B) of this paragraph shall be deemed a contractual obligation of the United States for payment of the Federal share of the cost of the project.

"(3) In fiscal year 1983, 2.93 per centum of the amount made available from the Mass Transit Account of the Highway Trust Fund under paragraph (2) of this subsection shall be available to carry out section 18 of this Act.

"(4) In each of fiscal years 1984, 1985, and 1986, 2.93 per centum of the amount appropriated from the general fund of the Treasury under paragraph (1) of this subsection shall be available to carry out section 18 of this Act and shall remain available until expended.

"(5) Of the funds available for obligation under paragraph (2)(B), $50,000,000 shall be used in each of fiscal years 1984, 1985, and 1986 for the purposes of section 8 of this Act. Nothing herein shall prevent the use of additional funds available under this subsection for planning purposes.

"(b) There is hereby authorized to be appropriated to carry out sections 6, 10, 11(a), 12(a), and 20 of this Act not to exceed $86,250,000 for the fiscal year ending September 30, 1983, $86,000,000 for the fiscal year ending September 30, 1984, and $90,000,000 per fiscal year for each of the fiscal years ending September 30, 1985, and September 30, 1986. Sums appropriated pursuant to this subsection for financing projects funded under section 6 of this Act shall remain available until expended.".

(b) The second sentence of section 4(a) of such Act is amended by striking out "80 per centum" and inserting in lieu thereof "75 per centum".

(c) Section 4(c)(3)(A) of such Act is amended by inserting "and" after "September 30, 1981;" and by striking out "; and $1,580,000,000 for the fiscal year ending September 30, 1983".

(d) Section 4(f) of such Act is amended by striking out "18, 21, and 22," and inserting in lieu thereof "and 18,".

(e) Section 4(g) of such Act is amended by striking out "such sums as may be necessary" and inserting in lieu thereof "not to exceed $365,000,000 for the fiscal year ending September 30, 1983, $380,000,000 for the fiscal year ending September 30, 1984, $390,000,000 for the fiscal year ending September 30, 1985, and $400,000,000 for the fiscal year ending September 30, 1986,".

BLOCK GRANTS

SEC. 303. (a) The Urban Mass Transportation Act of 1964 is amended by inserting immediately after section 8 the following new sections:

"BLOCK GRANTS

"SEC. 9. (a)(1) Of the amount appropriated from the general fund of the Treasury under section 21(a) of this Act, 8.64 per centum shall be available for expenditure under this section in each fiscal year only in urbanized areas with a population of less than 200,000.

"(2) Of the amount appropriated from the general fund of the Treasury under section 21(a) of this Act, 88.43 per centum shall be available for expenditure under this section in each fiscal year only in urbanized areas with a population of 200,000 or more.

"(b)(1) Of the funds available under subsection (a)(2) of this section, 33.29 per centum shall be available for expenditure in urbanized areas of 200,000 population or more in accordance with this subsection.

"(2) 95.61 per centum of the amount made available under paragraph (1) of this subsection shall be apportioned as follows:

"(A) 60 per centum of the amount so apportioned multiplied by the ratio which the number of fixed guideway revenue vehicle miles attributable to the urbanized area, as determined by the Secretary, bears to the total number of all fixed guideway revenue vehicle miles attributable to all such urbanized areas; and

"(B) 40 per centum of the amount so apportioned multiplied by the ratio which the number of fixed guideway route miles attributable to the urbanized area, as determined by the Secretary, bears to the total number of all fixed guideway route miles attributable to all such urbanized areas.

No urbanized area in which commuter rail service is provided and which has a population of 750,000 or more shall receive less than 0.75 per centum of the sums made available under this paragraph. Under this paragraph, fixed guideway revenue vehicle or route miles provided, and passengers served thereby, in an urbanized area of less than 200,000 population, where such revenue vehicle miles or route miles and passengers served would otherwise be attributable to an urbanized area with a population of 1,000,000 or more in an adjacent State, shall be attributable to the public body in the State in which such urbanized area of less than 200,000 population is located as if the public body were an urbanized area of 200,000 or more so long as such public body contracts, directly or indirectly, for such service. For the purpose of this subsection, the terms 'fixed guideway revenue vehicle miles' and 'fixed guideway route miles' shall include ferry boat operations directly or under contract by the designated recipient.

"(3) 4.39 per centum of the amount made available for expenditure among urbanized areas of 200,000 population or more under paragraph (1) of this section shall be apportioned as follows: in the ratio that the number of fixed guideway vehicle passenger miles traveled multiplied by the number of fixed guideway vehicle passen-

ger miles traveled for each dollar of operating cost in each such urbanized area bears to the sum of the number of fixed guideway vehicle passenger miles traveled multiplied by the number of fixed guideway vehicle passenger miles traveled for each dollar of operating cost in all such urbanized areas. No urbanized area in which commuter rail service is provided and which has a population of 750,000 or more shall receive less than 0.75 per centum of the sums made available under this paragraph.

"(c)(1) Of the funds available under subsection (a)(2) of this section, 66.71 per centum shall be available for expenditure in urbanized areas with a population of 200,000 or more in accordance with this subsection.

"(2) 90.8 per centum of the amount made available under paragraph (1) of this subsection shall be apportioned as follows:

"(A) 73.39 per centum shall be made available for expenditure in only those urbanized areas with a population of 1,000,000 or more, and on the basis of a formula under which such urbanized area will be entitled to receive an amount equal to the sum of—

"(i) 50 per centum of the amount available under this subparagraph multiplied by the ratio which the total bus revenue vehicle miles operated in or directly serving such urbanized area bears to the total bus revenue vehicle miles in all such urbanized areas;

"(ii) 25 per centum of such amount multiplied by the ratio which the population of such urbanized area bears to the total population of all such urbanized areas as shown by the latest Federal census; and

"(iii) 25 per centum of such amount multiplied by a ratio for that urbanized area determined on the basis of population weighted by a factor of density, as determined by the Secretary; and

"(B) 26.61 per centum shall be made available for expenditure in only those urbanized areas with a population of less than 1,000,000 and on the basis of a formula under which such urbanized areas will be entitled to receive an amount equal to the sum of—

"(i) 50 per centum of the amount available under this subparagraph multiplied by the ratio which the total bus revenue vehicle miles operated in or directly serving such urbanized area bears to the total bus revenue vehicle miles in all such urbanized areas;

"(ii) 25 per centum of such amount multiplied by the ratio which the population of such urbanized area bears to the total population of all such urbanized areas as shown by the latest available Federal census; and

"(iii) 25 per centum of such amount multiplied by a ratio for that urbanized area determined on the basis of population weighted by a factor of density, as determined by the Secretary.

"(3) 9.2 per centum of the amount made available under paragraph (1) of this subsection shall be apportioned among urbanized areas of 200,000 population or more as follows: in the ratio that the number of bus passenger miles traveled multiplied by the number of

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bus passenger miles traveled for each dollar of operating cost in each such urbanized area bears to the sum of the number of bus passenger miles traveled multiplied by the number of bus passenger miles traveled for each dollar of operating cost in all such urbanized areas.

"(d) Funds available under subsection (a)(1) of this section shall be apportioned on the basis of a formula under which urbanized areas of less than 200,000 population shall be entitled to receive an amount equal to the sum of—

"(1) one-half of the total amount so apportioned multiplied by the ratio which the population of such urbanized area bears to the total population of all such urbanized areas as shown by the latest available Federal census; and

"(2) one-half of the total amount so apportioned multiplied by a ratio for that urbanized area determined on the basis of population weighted by a factor of density, as determined by the Secretary.

As used in this section, the term 'density' means the number of inhabitants per square mile.

"(e)(1) The provisions of sections 3(e), 3(f), 3(g), 5(k)(3), 12(c), 13, and 19 shall apply to this section and to every grant made under this section. No other condition, limitation, or other provision of this Act, other than as provided in this section, shall be applicable to this section and to grants for programs of projects made under this section.

"(2) To receive a grant under this section for any fiscal year, a recipient shall, within the time specified by the Secretary, submit a final program of projects prepared pursuant to subsection (f) and the certifications required by paragraph (3).

"(3) Each recipient (including any person receiving funds from a Governor under this section) shall submit to the Secretary annually a certification that such recipient—

"(A) has or will have the legal, financial, and technical capacity to carry out the proposed program of projects;

"(B) has or will have satisfactory continuing control, through operation of lease or otherwise, over the use of the facilities and equipment, and will maintain such facilities and equipment;

"(C) will comply with requirements of section 5(m) of this Act;

"(D) will give the rate required by section 5(m) of this Act to any person presenting a medicare card duly issued to that person pursuant to title II or title XVIII of the Social Security Act;

"(E) in carrying out procurements under this subsection, will use competitive procurements (as defined or approved by the Secretary), will not use procurements utilizing exclusionary or discriminatory specifications, and will carry out procurements in compliance with applicable Buy America provisions;

"(F) has complied with the requirements of subsection (f);

"(G) has available and will provide the required amount of funds in accordance with subsection (k)(1) of this section and will comply with the requirements of sections 8 and 16 of this Act; and

"(H) has a locally developed process to solicit and consider public comment prior to raising fares or implementing a major reduction of transit service.

"(f) Each recipient shall—

"(1) make available to the public information concerning the amount of funds available under this subsection and the program of projects that the recipient proposes to undertake with such funds;

"(2) develop a proposed program of projects concerning activities to be funded in consultation with interested parties, including private transportation providers;

"(3) publish a proposed program of projects in such a manner to afford affected citizens, private transportation providers, and as appropriate, local elected officials an opportunity to examine its content and to submit comments on the proposed program of projects and on the performance of the recipient; and

"(4) afford an opportunity for a public hearing to obtain the views of citizens on the proposed program of projects.

In preparing the final program of projects to be submitted to the Secretary, the recipient shall consider any such comments and views, particularly those of private transportation providers, and shall, if deemed appropriate by the recipient, modify the proposed program of projects. The final program of projects shall be made available to the public.

"(g)(1) The Secretary shall, at least on an annual basis, conduct, or require the recipient to have independently conducted, reviews and audits as may be deemed necessary or appropriate by the Secretary to determine whether—

"(A) the recipient has carried out its activities submitted in accordance with subsection (e)(2) in a timely and effective manner and has a continuing capacity to carry out those activities in a timely and effective manner; and

"(B) the recipient has carried out those activities and its certifications and has used its Federal funds in a manner which is consistent with the applicable requirements of this Act and other applicable laws.

Audits of the use of Federal funds shall be conducted in accordance with the auditing procedures of the General Accounting Office.

"(2) In addition to the reviews and audits described in paragraph (1), the Secretary shall, not less than once every three years, perform a full review and evaluation of the performance of a recipient in carrying out the recipient's program, with specific reference to compliance with statutory and administrative requirements, and consistency of actual program activities with the proposed program of projects required under subsection (e)(2) of this section and the planning process required under section 8.

"(3) The Secretary may make appropriate adjustments in the amount of annual grants in accordance with the Secretary's findings under this subsection, and may reduce or withdraw such assistance or take other action as appropriate in accordance with the Secretary's review, evaluation, and audits under this subsection.

"(4) No grant shall be made under this section to any recipient in any fiscal year unless the Secretary has accepted a certification for

such fiscal year submitted by such person pursuant to subsection (e) of this section.

"(h) The provisions of section 1001 of title 18, United States Code, apply to any certification or submission under this section. In addition, if any false or fraudulent statement or related act within the meaning of section 1001 of title 18, United States Code, is made in connection with a certification of submission under this subsection, the Secretary may terminate and seek appropriate reimbursement of the affected grant or grants directly or by offsetting funds available under this subsection.

"(i) A recipient may request the Secretary to approve its procurement system. If, after consultation with the Office of Federal Procurement Policy, the Secretary finds that such system provides for competitive procurement, the Secretary shall approve such system for use for all procurements financed under this section. Such approval shall be binding until withdrawn. A certification from the recipient under subsection (e)(3)(E) is still required.

"(j) Grants under this section shall be available to finance the planning, acquisition, construction, improvement, and operating costs of facilities, equipment, and associated capital maintenance items for use, by operation or lease or otherwise, in mass transportation service, including the renovation and improvement of a historic transportation facility with related private investment. As used in this section, the term 'associated capital maintenance items' means any equipment and materials each of which costs no less than 1 per centum of the current fair market value of rolling stock comparable to the rolling stock for which the equipment and materials are to be used.

"(k)(1) The Federal grant for any construction project (including capital maintenance items) under this section shall not exceed 80 per centum of the net project cost of such project. The Federal grant for any project for operating expenses shall not exceed 50 per centum of the net project cost of such project. The remainder shall be provided in cash from sources other than Federal funds or revenues from the operation of public mass transportation systems. Any public or private transit system funds so provided shall be solely from undistributed cash surpluses, replacement or depreciation funds or reserves available in cash, or new capital.

"(2) The amount of funds apportioned under this section which may be used for operating assistance shall not exceed 80 per centum of the amount of funds apportioned in fiscal year 1982 under paragraphs (1)(A), (2)(A), and (3)(A) of section 5(a) of this Act to an urbanized area with a population of 1,000,000 or more, 90 per centum of funds so apportioned to an urbanized area with a population of 200,000 or more and less than 1,000,000 population; and 95 per centum of funds so apportioned to an urbanized area of less than 200,000 population. Notwithstanding the preceding sentence, an urbanized area that became an urbanized area for the first time under the 1980 census may use not to exceed 40 per centum of its apportionment under this section for operating assistance.

"(3) Notwithstanding any other provision of law, the amount of funds apportioned under section 5 of this Act and available for operating assistance in fiscal year 1983 in an urbanized area shall be subject to the limitations set forth in paragraph (2) of this subsec-

tion. Subject to the limitation in the preceding sentence, funds apportioned under section 5(a)(4) of this Act in fiscal year 1983 may be used for operating assistance.

"(l)(1)(A) Notwithstanding the provisions of subsection (k)(1), any recipient may, in fiscal years 1983 and 1984, transfer, for use for operating assistance, a portion of its apportionment under this section that otherwise is available only for capital assistance, except that the recipient's total operating assistance under this section (including any amounts transferred from its capital apportionment) for the fiscal year in which the transfer occurs shall not exceed the amount of Federal funds such recipient was apportioned under sections 5(a)(1)(A), 5(a)(2)(A), and 5(a)(3)(A) of this Act for the fiscal year ending September 30, 1982. The total operating assistance under this section (including any amounts transferred from its capital apportionment) for a recipient in an urbanized area that became an urbanized area for the first time under the 1980 census may not exceed 50 per centum of its apportionment under this section.

"(B) Notwithstanding any other provision of law, a recipient may use its capital apportionment under section 5(a)(4) of this Act in fiscal year 1983 for purposes of carrying out a transfer under this subsection. No source of capital assistance under this Act (other than under section 5(a)(4)) may be used for such a transfer in such fiscal year.

"(2) Any recipient that intends to carry out a transfer under this subsection shall, at the time it submits a proposed program of projects to the Secretary under subsection (e)(2)—

"(A) certify that it has provided public notice of its intent to transfer its capital apportionment (including notice of the funding reductions resulting from utilization of this subsection and other requirements of this subsection) and provided an opportunity for public comment; and

"(B) certify that it has developed a three-year plan to assure that in the fiscal year ending September 30, 1985, it will not need to use and will not use its capital apportionment for operating assistance.

"(3) Whenever any recipient transfers its capital apportionment for operating assistance in accordance with the requirements of this subsection, two-thirds of the amount transferred shall be available to the recipient for operating assistance and the remaining one-third amount shall be available to the Secretary to make discretionary grants under this section. In making such discretionary grants, first priority shall be given to any urbanized area that is apportioned an amount under this section in fiscal year 1983 which is less than the amount such urbanized area was apportioned under section 5 of this Act for the fiscal year ending September 30, 1982. Any amounts remaining shall be available for discretionary construction grants under this section subject to the second and third sentences of section 4(a).

"(4) The authority of recipients to use the provisions of this paragraph shall terminate on September 30, 1984.

"(m)(1) The Governor, responsible local officials, and publicly owned operators of mass transportation services in accordance with the planning process required under section 8 of this Act shall designate a recipient or recipients to receive and dispense the funds ap-

propriated under this section that are attributable to urbanized areas of 200,000 or more population. In any case in which a statewide or regional agency or instrumentality is responsible under State laws for the financing, construction and operation, directly, by lease, contract, or otherwise, of public transportation services, such agency or instrumentality shall be the recipient to receive and dispense such funds. As used in this section, the term 'designated recipient' shall refer to a recipient selected according to the procedures required by this section or to a recipient designated in accordance with section 5(b)(1) of this Act prior to the date of enactment of this section.

"(2) Sums apportioned under this subsection not made available for expenditure by designated recipients in accordance with the terms of paragraph (1) shall be made available to the Governor for expenditure in urbanized areas with populations of less than 200,000.

"(n)(1) The Governor may transfer an amount of the State's apportionment under subsection (d) to supplement funds apportioned to the State under section 18(a) of this Act, or to supplement funds apportioned to urbanized areas with populations of 300,000 or less under this subsection. The Governor may make such transfers only after consultation with responsible local officials and publicly owned operators of mass transportation services in each area to which the funding was originally apportioned pursuant to subsection (d). The Governor may transfer an amount of the State's apportionment under section 18(a) to supplement funds apportioned to the State under subsection (d). Amounts transferred shall be subject to the capital and operating assistance limitations applicable to the original apportionments of such amounts.

"(2) A designated recipient for an urbanized area of 200,000 or more population may transfer its apportionment under this section, or a portion thereof, to the Governor. The Governor shall distribute any such apportionment to urbanized areas in the State, including areas of 200,000 or more population, in accordance with this section. Amounts transferred shall be subject to the capital and operating assistance limitations applicable to the original apportionment of such amounts.

"(o) Sums apportioned under this section shall be available for obligation by the recipient for a period of three years following the close of the fiscal year for which such sums are apportioned. Any amounts so apportioned remaining unobligated at the end of such period shall be added to the amount available for apportionment under this section for the succeeding fiscal year.

"MASS TRANSIT ACCOUNT DISTRIBUTION

"SEC. 9A. (a)(1) Of the amount made available from the Mass Transit Account of the Highway Trust Fund under section 21(a) of this Act in fiscal year 1983, 8.64 per centum shall be available for expenditure under this section in such fiscal year only in urbanized areas with a population of less than 200,000.

"(2) Of the amount made available from the Mass Transit Account of the Highway Trust Fund under section 21(a) of this Act in fiscal year 1983, 88.43 per centum shall be available for expenditure

under this section in such fiscal year only in urbanized areas with 200,000 population or more.

"(b)(1) Of the funds available under subsection (a)(2) of this section, 66.71 per centum shall be apportioned among urbanized areas with 200,000 population or more as follows:

"(A) 73.39 per centum shall be made available for expenditure in only those urbanized areas with a population of 1,000,000 or more, and on the basis of a formula under which such urbanized area will be entitled to receive an amount equal to the sum of—

"(i) 50 per centum of the amount available under this subparagraph multiplied by the ratio which the total bus revenue vehicle miles operated in or directly serving such urbanized area bears to the total bus revenue vehicle miles in all such urbanized areas;

"(ii) 25 per centum of such amount multiplied by the ratio which the population of such urbanized area bears to the total population of all such urbanized areas as shown by the latest Federal census; and

"(iii) 25 per centum of such amount multiplied by a ratio for that urbanized area determined on the basis of population weighted by a factor of density, as determined by the Secretary; and

"(B) 26.61 per centum shall be made available for expenditure in only those urbanized areas with a population of less than 1,000,000 and on the basis of a formula under which such urbanized area will be entitled to receive an amount equal to the sum of—

"(i) 50 per centum of the amount available under this subparagraph multiplied by the ratio which the total bus revenue vehicle miles operated in or directly serving such urbanized area bears to the total bus revenue vehicle miles in all such urbanized areas;

"(ii) 25 per centum of such amount multiplied by the ratio which the population of such urbanized area bears to the total population of all such urbanized areas as shown by the latest available Federal census; and

"(iii) 25 per centum of such amount multiplied by a ratio for that urbanized area determined on the basis of population weighted by a factor of density, as determined by the Secretary.

"(2) Of the funds available under subsection (a)(2) of this section, 33.29 per centum shall be apportioned among urbanized areas of 200,000 population or more as follows:

"(A) 60 per centum of the amount so apportioned multiplied by the ratio which the number of fixed guideway revenue vehicle miles attributable to the urbanized area, as determined by the Secretary, bears to the total number of all fixed guideway revenue vehicle miles attributable to all such urbanized areas; and

"(B) 40 per centum of the amount so apportioned multiplied by the ratio which the number of fixed guideway route miles attributable to the urbanized area, as determined by the Secre-

tary, bears to the total number of all fixed guideway route miles attributable to all such urbanized areas.

No urbanized area in which commuter rail service is provided and which has a population of 750,000 or more shall receive less than 0.75 per centum of the sums made available under this paragraph. Under this paragraph, fixed guideway revenue vehicle or route miles provided, and passengers served thereby, in an urbanized area of less than 200,000 population, where such revenue vehicle miles or route miles and passengers served would otherwise be attributable to an urbanized area with a population of 1,000,000 or more in an adjacent State, shall be attributable to the public body in the State in which such urbanized area of less than 200,000 population is located as if the public body were an urbanized area of 200,000 or more so long as such public body contracts, directly or indirectly, for such service. For the purpose of this paragraph, the terms 'fixed guideway revenue vehicle miles' and 'fixed guideway route miles' shall include ferry boat operations directly or under contract by the designated recipient.

"(c) Funds available under subsection (a)(1) of this section shall be apportioned on the basis of a formula under which urbanized areas of less than 200,000 population shall be entitled to receive an amount equal to the sum of—

"(1) one-half of the total amount so apportioned multiplied by the ratio which the population of such urbanized area bears to the total population of all such urbanized areas in all the States as shown by the latest available Federal census; and

"(2) one-half of the total amount so apportioned multiplied by a ratio for that urbanized area determined on the basis of population weighted by a factor of density, as determined by the Secretary.

As used in this section, the term 'density' means the number of inhabitants per square mile.

"(d)(1) The provisions of subsections (e), (f), (g), (h), (i), (m), and (n) of section 9 of this Act shall apply to grants made under this section.

"(2)(A) Grants under this section shall be made for the purposes described in subsection (j) of section 9 of this Act, except that such grants may not be used for payment of operating expenses.

"(B) The Federal grant for any project under this section shall not exceed 80 per centum of the net project cost of such project.

"(3) The provisions of subsection (o) of section 9 shall apply to grants made under this section, except that amounts remaining unobligated at the end of the 3-year period shall be added to the amount available under section 3 for the succeeding fiscal year.".

EXISTING CAPITAL GRANT PROGRAM

SEC. 304. (a) Section 3(a)(2)(A) of the Urban Mass Transportation Act of 1964 is amended—

(1) by striking out "and" at the end of clause (i);

(2) by striking out the period at the end of clause (ii) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(iii) sufficient capability to maintain the facilities and equipment.".

(b) Section 3(a) of the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following:

"(5) The Secretary shall take into account the adverse effect of decreased commuter rail service in considering applications for assistance under this section for the acquisition of rail lines and all related facilities used in providing commuter rail service which are owned by a railroad subject to reorganization under title 11, United States Code.

"(6) In making grants under this section in fiscal year 1983, the Secretary shall, to the extent practicable, emphasize projects that are labor intensive and that can begin construction or manufacturing within the shortest possible time.".

(c) Section 15(b) of the Urban Mass Transportation Act of 1964 is amended by striking out "section 5" and inserting in lieu thereof "section 5 or 9".

SEC. 305. Section 3(a)(4) of the Urban Mass Transportation Act of 1964 is amended—

(1) by inserting after the first sentence thereof the following: "At least thirty days prior to the issuance of a letter of intent under this paragraph, the Secretary shall notify, in writing, the Committee on Public Works and Transportation of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate, of the proposed issuance of such letter of intent.";

(2) by striking out "in section 4(c)" and inserting in lieu thereof the following "to carry out section 3"; and

(3) by adding at the end thereof the following: "Funding for projects covered by letters of intent or letters of commitment issued, and full funding contracts executed, prior to the date of enactment of the Federal Public Transportation Act of 1982 should be funded under this section while not precluding the funding of a portion of such projects using section 9 capital funds unless such funding would impair the recipient's ability to fund routine capital projects under such section. Notwithstanding the provisions of section 4(a), the Federal share of the total project cost of any project under this section covered by a full funding contract, letter of intent, or letter of commitment in effect on the date of enactment of the Federal Public Transportation Act of 1982, or those projects within the federally agreed upon scope for the Washington, District of Columbia, metropolitan area transit system (as of such date), shall not be altered.".

RESEARCH AND TRAINING GRANTS

SEC. 306. (a) Section 4(d) of the Urban Mass Transportation Act of 1964 is amended by striking out "September 30, 1981, and September 30, 1982" and inserting in lieu thereof "and September 30, 1981, $5,000,000 for the fiscal year ending September 30, 1984, and $10,000,000 per fiscal year for each of the fiscal years ending September 30, 1985, and September 30, 1986".

(b) Section 11(b)(5) of such Act is amended to read as follows:

"(5) As a condition to project approval, the amount of the Federal grant must be equally matched from other than Federal funds.".

(c) The first sentence of section 11(b)(7) of such Act is amended by inserting ", which include bona fide research and training in urban transportation" before the period.

AVAILABILITY OF FUNDS—URBAN MASS TRANSIT PROGRAM

SEC. 307. Section 5 of the Urban Mass Transportation Act of 1964 is amended—

(1) by adding immediately after subsection (c)(4) the following:

"(5) Apportionments under this section for fiscal year 1975 shall be deemed to have lapsed on September 30, 1977, and apportionments under this section for fiscal year 1976 shall be deemed to have lapsed on September 30, 1978."; and

(2) by adding at the end thereof the following new subsection:

"(o) Notwithstanding any other provision of this section, any sums apportioned under this section before October 1, 1982, and available for expenditure in any urbanized area or part thereof on such date shall remain available for expenditure in such area or part in accordance with the provisions of this section until September 30, 1985. Any sums so apportioned remaining unobligated on October 1, 1985, shall be added to amounts available for apportionment under section 9 of this Act for the fiscal year ending September 30, 1986.".

COMPETITIVE PROCUREMENT

SEC. 308. Paragraph (2) of subsection (b) of section 12 of the Urban Mass Transportation Act of 1964 is amended to read as follows:

"(2) In lieu of requiring that contracts for the acquisition of rolling stock be awarded based on consideration of performance, standardization, life-cycle costs and other factors, or on the basis of lowest initial capital cost, such contracts may be awarded based on a competitive procurement process. The Secretary shall report to Congress within a year of enactment of the Federal Public Transportation Act of 1982 on any legislative or administrative revisions required to ensure that procurement procedures are fair and competitive.".

DEFINITIONS

SEC. 309. (a) Section 12(c)(1) of the Urban Mass Transportation Act of 1964 is amended by inserting before the semicolon at the end thereof the following: ", and such term also means any bus rehabilitation project which extends the economic life of a bus five years or more".

(b) Section 12(c)(2) of the Urban Mass Transportation Act of 1964 is amended by inserting "or rails" immediately after "separate right-of-way" and by striking out the semicolon at the end of such section and inserting in lieu thereof a comma and the following: "and also means a public transportation facility which uses a fixed catenary system and utilizes a right-of-way usable by other forms of transportation;".

PERFORMANCE REPORTS

SEC. 310. (a) The Secretary of Transportation shall report to Congress in January of 1984 and in January of every second year thereafter his estimates of the current performance and condition of public mass transportation systems together with recommendations for any necessary administrative or legislative revisions.

(b) In reporting to Congress pursuant to this section, the Secretary shall prepare a comprehensive assessment of public transportation facilities in the United States. The Secretary shall also assess future needs for such facilities and estimate future capital requirements and operation and maintenance requirements for one-, five-, and ten-year periods at specified levels of service.

CONSTRUCTION CONDITION

SEC. 311. The Secretary of Transportation shall only make available Federal financial assistance to the Metropolitan Atlanta Rapid Transit Authority for the construction of the proposed fixed rail line from Doraville, Georgia, to the Atlanta Hartsfield International Airport on the condition that the portion of such line extending north from Lenox Station to Doraville and the portion of such line extending south from Lakewood Station to the Atlanta Hartsfield International Airport will be constructed simultaneously in usable segments so that revenue passenger service to Doraville and such airport shall commence at approximately the same time. This section shall apply until priorities different from those set forth in the preceding sentence are adopted after September 30, 1983, by a valid act of the Georgia General Assembly and by a valid resolution of the Board of the Metropolitan Atlanta Rapid Transit Authority.

LOAN REPAYMENT

SEC. 312. (a) The Massachusetts Bay Transportation Authority shall have no obligation to repay the United States 80 per centum of the principal and the interest owed on the following loans entered into with the Secretary of Transporation under the Urban Mass Transportation Act of 1964 for the acquisition of rights-of-way: the loan numbered MA03-9001 entered into on January 26, 1973, and the loan numbered MA23-9010 entered into on December 20, 1976.

(b)(1) The Secretary of Transportation may convert the remaining 20 per centum of the principal and interest owed on the loans described in subsection (a) to grants under the conditions set forth in paragraph (2).

(2) In lieu of the local matching share otherwise required, the grant agreement may provide that State or local funds shall be committed to public transportation projects in the urbanized area, on a schedule acceptable to the Secretary of Transportation, in an amount equal to the local share that would have been required had the amount of principal and interest forgiven under subsection (a) been the Federal share of a capital grant made when the original loan was made. The State or local funds contributed under the terms of the preceding sentence shall be made available for capital projects eligible for funding under section 3(a) of the Urban Mass

Transportation Act of 1964 and may not be used to satisfy the local matching requirements for any other grant project.

ADVANCE ACQUISITION OF RIGHTS-OF-WAY

SEC. 313. Section 3(a)(1)(A) of the Urban Mass Transportation Act of 1964 is amended by striking out "and" the second place it appears and by inserting immediately before the semicolon at the end thereof the following: ", and the acquisition of rights-of-way, and relocation, for fixed guideway corridor development for projects in advanced stages of any such detailed alternatives analyses or preliminary engineering".

FEASIBILITY STUDY

SEC. 314. (a) The Secretary of Transportation shall make a grant to the Massachusetts Bay Transportation Authority to conduct a feasibility study to examine the possibility of replacing either any or all three of the existing electric trolley bus lines (and thereby eliminating the overhead power lines) in Cambridge, Massachusetts, with the more advanced and equally environmentally sound electric bus technology that is being developed in the State of California for the Santa Barbara transit system.

(b) Notwithstanding section 21(a)(2) of the Urban Mass Transportation Act of 1964, of the amount made available by such section 21(a)(2) for the fiscal year ending September 30, 1983, $500,000 shall be available only to carry out this section and such amount shall remain available until expended.

STUDY OF LONG-TERM LEVERAGE FINANCING

SEC. 315. The Secretary of Transportation shall conduct a study on the feasibility of providing an assured flow of Federal funds under long-term contracts with local or State transit authorities for use in leveraging further capital assistance from State or local government or private sector sources. Within six months of the date of enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Public Works and Transportation of the House a report of such study.

FORMULA GRANTS FOR NONURBANIZED AREAS

SEC. 316. (a) Section 18(a) of the Urban Mass Transportation Act of 1964 is amended by striking out "appropriated pursuant to section 4(e) of this Act" and inserting in lieu thereof "made available under section 21(a) of this Act to carry out this section".

(b) Section 18(c) of the Urban Mass Transportation Act of 1964 is amended by striking out "three years" in the first sentence and inserting in lieu thereof "two years".

ASSISTANCE TO MEET SPECIAL NEEDS OF ELDERLY AND HANDICAPPED PERSONS

SEC. 317. (a) Section 16(b) of the Urban Mass Transportation Act of 1964 is amended by striking out "section 4(c)(3) of this Act, 2 per

centum" and inserting in lieu thereof "section 21(a)(2) of this Act, 3.5 per centum".

(b) The amendment made by subsection (a) of this section shall take effect October 1, 1983.

(c) Section 16 of the Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following:

"(c) In carrying out subsection (a) of this section, section 165(b) of the Federal-Aid Highway Act of 1973, and section 504 of the Rehabilitation Act of 1973 (consistent with any applicable Government-wide standards for the implementation of such section 504), the Secretary shall, not later than 90 days after the date of the enactment of this subsection, publish in the Federal Register for public comment, proposed regulation and, not later than 180 days after the date of such enactment, promulgate final regulations, establishing (1) minimum criteria for the provision of transportation services to handicapped and elderly individuals by recipients of Federal financial assistance under this Act or under any provision of law referred to in section 165(b) of the Federal-Aid Highway Act of 1973, and (2) procedures for the Secretary to monitor recipients' compliance with such criteria. Such regulations shall include provisions for ensuring that organizations and groups representing such individuals are given adequate notice of and opportunity to comment on the proposed activities of recipients for the purpose of achieving compliance with such regulations.".

REPEAL OF SAFETY AUTHORITY

SEC. 318. (a) Section 107 of the National Mass Transportation Assistance Act of 1974 (Public Law 93-503) is repealed.

(b) The Urban Mass Transportation Act of 1964 is amended by adding at the end thereof the following new section:

"SAFETY AUTHORITY

"SEC. 22. The Secretary may investigate conditions in any facility, equipment, or manner of operation financed under this Act which the Secretary believes creates a serious hazard of death or injury. The investigation should determine the nature and extent of such conditions and the means which might best be employed to correct or eliminate them. If the Secretary determines that such conditions do create such a hazard, he shall require the local public body which has received funds under this Act to submit a plan for correcting or eliminating such condition. The Secretary may withhold further financial assistance under this Act from the local public body until he approves such plan and the local public body implements such plan.".

TITLE IV

PART A—COMMERCIAL MOTOR VEHICLE SAFETY DEFINITIONS

SEC. 401. For purposes of this part, unless the context otherwise requires, the term—

(1) "commercial motor vehicle" means any self-propelled or towed vehicle used on the highways in commerce principally to transport passengers or cargo—

(A) if such vehicle has a gross vehicle weight rating of ten thousand or more pounds;

(B) if such vehicle is designed to transport more than ten passengers, including the driver; or

(C) if such vehicle is used in the transportation of materials found by the Secretary to be hazardous for the purposes of the Hazardous Materials Transportation Act, as amended (49 U.S.C. 1801 et seq.);

(2) "employee" means—

(A) a driver of a commercial motor vehicle (including an independent contractor while in the course of personally operating a commercial motor vehicle);

(B) a mechanic;

(C) a freight handler; or

(D) any individual other than an employer;

who is employed by a commercial motor carrier and who in the course of his employment directly affects commercial motor vehicle safety, but such term does not include an employee of the United States, any State, or a political subdivision of a State who is acting within the course of such employment, nor does such term include an individual employed by a commercial motor carrier engaged in the transportation of passengers;

(3) "employer" means any person engaged in a business affecting commerce who owns or leases a commercial motor vehicle in connection with that business, or assigns employees to operate it in commerce, but such term does not include the United States, any State, or a political subdivision of a State;

(4) "person" means one or more individuals, partnerships, associations, corporations, business trusts, or any other organized group of individuals;

(5) "Secretary" means the Secretary of Transportation; and

(6) "State" means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, American Samoa, Guam, or the Commonwealth of the Northern Marianas.

GRANTS TO STATES

SEC. 402. (a) Under the terms and conditions of this section, subject to the availability of funds, the Secretary is authorized to make grants to States for the development or implementation of programs for the enforcement of Federal rules, regulations, standards, and orders applicable to commercial motor vehicle safety and compatible State rules, regulations, standards, and orders.

(b)(1) The Secretary shall formulate procedures for any State to submit a plan whereby the State agrees to adopt, and to assume responsibility for enforcing Federal rules, regulations, standards, and orders applicable to commercial motor vehicle safety, or compatible State rules, regulations, standards, and orders. Such plan shall be approved by the Secretary if, in the Secretary's judgment, the plan is adequate to promote the objectives of this section, and the plan—

(A) designates the State motor vehicle safety agency responsible for administering the plan throughout the State,

(B) contains satisfactory assurances that such agency has or will have the legal authority, resources, and qualified personnel necessary for the enforcement of such rules, regulations, standards, and orders;

(C) gives satisfactory assurances that such State will devote adequate funds to the administration of such plan and enforcement of such rules, regulations, standards, and orders;

(D) provides a right of entry and inspection sufficient to enforce such rules, regulations, standards, and orders;

(E) provides that all reports required pursuant to this section be submitted to the State agency, and that such agency make available upon request to the Secretary all such reports;

(F) provides that such State agency will adopt such uniform reporting requirements and use such uniform forms for recordkeeping, inspections, and investigations as may be established and required by the Secretary; and

(G) requires registrants of commercial motor vehicles to make a declaration of knowledge of applicable Federal and State safety rules, regulations, standards, and orders.

(2) If a plan submitted under paragraph (1) of this subsection is rejected, the Secretary shall provide the State a written explanation of the Secretary's action and shall permit the State to modify and resubmit its proposed plan for approval, in accordance with the procedures formulated in such paragraph.

(c) The Secretary shall, on the basis of reports submitted by the State agency, and on the Secretary's own inspections, make a continuing evaluation of the manner in which each State with a plan approved under this section is carrying out such plan. Whenever the Secretary finds, after affording due notice and opportunity for comment, that a State plan previously approved is not being followed or that it has become inadequate to assure the enforcement of Federal rules, regulations, standards, or orders applicable to commercial motor vehicle safety or compatible State rules, regulations, standards, or orders, he shall notify the State of withdrawal of approval of such plan. Upon receipt of such notice such plan shall cease to be in effect. Any State aggrieved by a determination of the Secretary pursuant to this subsection may seek judicial review pursuant to chapter 7 of title 5, United States Code. The State may, however, retain jurisdiction in any administrative or judicial enforcement proceeding commenced before the withdrawal of the plan whenever the issues involved do not directly relate to the reasons for the withdrawal of approval of the plan.

(d) The Secretary shall not approve any plan under this section which does not provide that the aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for commercial motor vehicle safety programs will be maintained at a level which does not fall below the average level of such expenditure for its last two full fiscal years preceding the date of enactment of this section.

FEDERAL SHARE OF COSTS

SEC. 403. By grants authorized under this part, the Secretary shall reimburse any State an amount not to exceed 80 per centum of

the costs incurred by that State in that fiscal year in the development and implementation of programs to enforce commercial motor vehicle rules, regulations, standards, or orders adopted pursuant to this title. The funds of the State and political subdivisions thereof which are required to be expended under section 402(d) of this title shall not be considered to be part of the non-Federal share. The Secretary is authorized to allocate, among the States whose applications for grants have been approved, those amounts appropriated for grants to support such programs, pursuant to such criteria as may be established.

AUTHORIZATIONS

SEC. 404. To carry out the purposes of section 402 of this title, there is authorized to be appropriated out of the Highway Trust Fund not to exceed $10,000,000 in the fiscal year ending September 30, 1984, not to exceed $20,000,000 in the fiscal year ending September 30, 1985, not to exceed $30,000,000 in the fiscal year ending September 30, 1986, not to exceed $40,000,000 in the fiscal year ending September 30, 1987, and not to exceed $50,000,000 in the fiscal year ending September 30, 1988. Appropriated funds authorized by this section shall be used to reimburse States pro rata for the Federal share of costs incurred. Grants made pursuant to the authority of this part shall be for periods not to exceed one fiscal year, ending at the end of a fiscal year.

PROTECTION OF EMPLOYEES

SEC. 405. (a) No person shall discharge, discipline, or in any manner discriminate against any employee with respect to the employee's compensation, terms, conditions, or privileges of employment because such employee (or any person acting pursuant to a request of the employee) has filed any complaint or instituted or caused to be instituted any proceeding relating to a violation of a commercial motor vehicle safety rule, regulation, standard, or order, or has testified or is about to testify in any such proceeding.

(b) No person shall discharge, discipline, or in any manner discriminate against an employee with respect to the employee's compensation, terms, conditions, or privileges of employment for refusing to operate a vehicle when such operation constitutes a violation of any Federal rules, regulations, standards, or orders applicable to commercial motor vehicle safety or health, or because of the employee's reasonable apprehension of serious injury to himself or the public due to the unsafe condition of such equipment. The unsafe conditions causing the employee's apprehension of injury must be of such nature that a reasonable person, under the circumstances then confronting the employee, would conclude that there is a bona fide danger of an accident, injury, or serious impairment of health, resulting from the unsafe condition. In order to qualify for protection under this subsection, the employee must have sought from his employer, and have been unable to obtain, correction of the unsafe condition.

(c)(1) Any employee who believes he has been discharged, disciplined, or otherwise discriminated against by any person in violation of subsection (a) or (b) of this section may, within one hundred

and eighty days after such alleged violation occurs, file (or have filed by any person on the employee's behalf) a complaint with the Secretary of Labor alleging such discharge, discipline, or discrimination. Upon receipt of such a complaint, the Secretary of Labor shall notify the person named in the complaint of the filing of the complaint.

(2)(A) Within sixty days of receipt of a complaint filed under paragraph (1) of this subsection, the Secretary of Labor shall conduct an investigation and determine whether there is reasonable cause to believe that the complaint has merit and notify the complainant and the person alleged to have committed a violation of this section of his findings. Where the Secretary of Labor has concluded that there is reasonable cause to believe that a violation has occurred, he shall accompany his findings with a preliminary order providing the relief prescribed by subparagraph (B) of this paragraph. Thereafter, either the person alleged to have committed the violation or the complainant may, within thirty days, file objections to the findings or preliminary order, or both, and request a hearing on the record, except that the filing of such objections shall not operate to stay any reinstatement remedy contained in the preliminary order. Such hearings shall be expeditiously conducted. Where a hearing is not timely requested, the preliminary order shall be deemed a final order which is not subject to judicial review. Upon the conclusion of such hearing, the Secretary of Labor shall issue a final order within one hundred and twenty days. In the interim, such proceedings may be terminated at any time on the basis of a settlement agreement entered into by the Secretary of Labor, the complainant, and the person alleged to have committed the violation.

(B) If, in response to a complaint filed under paragraph (1) of this subsection, the Secretary of Labor determines that a violation of subsection (a) or (b) of this section has occurred, the Secretary of Labor shall order (i) the person who committed such violation to take affirmative action to abate the violation, (ii) such person to reinstate the complainant to the complainant's former position together with the compensation (including back pay), terms, conditions, and privileges of the complainant's employment, and (iii) compensatory damages. If such an order is issued, the Secretary of Labor, at the request of the complainant may assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expenses (including attorney's fees) reasonably incurred, as determined by the Secretary of Labor, by the complainant for, or in connection with, the bringing of the complaint upon which the order was issued.

(d)(1) Any person adversely affected or aggrieved by an order issued after a hearing under subsection (c) of this section may obtain review of the order in the United States Court of Appeals for the circuit in which the violation, with respect to which the order was issued, allegedly occurred, or the circuit in which such person resided on the date of such violation. The petition for review must be filed within sixty days from the issuance of the Secretary of Labor's order. Such review shall be in accordance with the provisions of chapter 7 of title 5, United States Code, and shall be heard and decided expeditiously.

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(2) An order of the Secretary of Labor, with respect to which review could have been obtained under this section, shall not be subject to judicial review in any criminal or other civil proceeding.

(e) Whenever a person has failed to comply with an order issued under subsection (c)(2) of this section, the Secretary of Labor shall file a civil action in the United States district court for the district in which the violation was found to occur in order to enforce such order. In actions brought under this subsection, the district courts shall have jurisdiction to grant all appropriate relief, including injunctive relief, reinstatement, and compensatory damages. Civil actions brought under this subsection shall be heard and decided expeditiously.

MINIMUM FINANCIAL RESPONSIBILITY FOR MOTOR CARRIERS

SEC. 406. (a) Section 30 of the Motor Carrier Act of 1980 is amended in subsections (a) and (b) by striking out "two-year period" each place it appears and inserting in lieu thereof "three and one-half year period".

(b) Section 30(c) of the Motor Carrier Act of 1980 is amended by striking out "(c) Financial" and inserting in lieu thereof "(c)(1) Subject to paragraph (2) of this subsection, financial" and by adding at the end thereof the following new paragraph:

"(2)(A) Any person domiciled in any contiguous foreign country who provides transportation by motor vehicle to which any of the minimal levels of financial responsibility established under this section apply shall have evidence of such financial responsibility in such motor vehicle at any time such person is providing such transportation.

"(B) The Secretary of Transportation and the Secretary of the Treasury shall deny entry into the United States of any motor vehicle in which there is not evidence of financial responsibility required to be in such vehicle under subparagraph (A) of this paragraph.".

(c) Section 30(g) of the Motor Carrier Act of 1980 is amended by redesignating paragraphs (1) and (2) as paragraphs (2) and (3), respectively, and by inserting before paragraph (2) (as so redesignated) the following new paragraph:

> *"(1) 'Interstate commerce' includes transportation between a place in a State and a place outside the United States, to the extent such transportation is in the United States;".*

(d) Section 30(f) of the Motor Carrier Act of 1980 is amended to read as follows:

"(f) This section shall not apply to any motor vehicle having a gross vehicle weight rating of less than ten thousand pounds, if such vehicle is not used to transport any quantity of class A or B explosives, any quantity of poison gas, or a large quantity of radioactive materials in interstate or foreign commerce.".

PART B—COMMERCIAL MOTOR VEHICLE LENGTH LIMITATION

LENGTH LIMITATIONS ON FEDERALLY ASSISTED HIGHWAYS

SEC. 411. (a) No State shall establish, maintain, or enforce any regulation of commerce which imposes a vehicle length limitation of

less than forty-eight feet on the length of the semitrailer unit operating in a truck tractor-semitrailer combination, and of less than twenty-eight feet on the length of any semitrailer or trailer operating in a truck tractor-semitrailer-trailer combination, on any segment of the National System of Interstate and Defense Highways and those classes of qualifying Federal-aid Primary System highways as designated by the Secretary, pursuant to subsection (e) of this section.

(b) Length limitations established, maintained, or enforced by the States under subsection (a) of this section shall apply solely to the semitrailer or trailer or trailers and not to a truck tractor. No State shall establish, maintain, or enforce any regulation of commerce which imposes an overall length limitation on commercial motor vehicles operating in truck-tractor semitrailer or truck tractor semitrailer, trailer combinations. No State shall establish, maintain, or enforce any regulation of commerce which has the effect of prohibiting the use of trailers or semitrailers of such dimensions as those that were in actual and lawful use in such State on December 1, 1982. No State shall establish, maintain, or enforce any regulation of commerce which has the effect of prohibiting the use of existing trailers or semitrailers, of up to twenty-eight and one-half feet in length, in a truck tractor-semitrailer-trailer combination if those trailers or semitrailers were actually and lawfully operating on December 1, 1982, within a sixty-five-foot overall length limit in any State.

(c) No State shall prohibit commercial motor vehicle combinations consisting of a truck tractor and two trailing units on any segment of the National System of Interstate and Defense Highways, and those classes of qualifying Federal-aid Primary System highways as designated by the Secretary pursuant to subsection (e) of this section.

(d) The Secretary is authorized to establish rules to implement the provisions of this section, and to make such determinations as are necessary to accommodate specialized equipment (including, but not limited to, automobile transporters) subject to subsections (a) and (b) of this section.

(e)(1) The Secretary shall designate as qualifying Federal-aid Primary System highways subject to the provisions of subsections (a) and (c) those Primary System highways that are capable of safely accommodating the vehicle lengths set forth therein.

(2) The Secretary shall make an initial determination of which classes of highways shall be designated pursuant to paragraph (1) within 90 days of the date of enactment of this section.

(3) The Secretary shall enact final rules pursuant to paragraph (1) no later than two hundred seventy days from the date of enactment of this section and may revise such rules from time to time thereafter.

(f) For the purposes of this section, "truck tractor" shall be defined as the noncargo carrying power unit that operates in combination with a semitrailer or trailer, except that a truck tractor and semitrailer engaged in the transportation of automobiles may transport motor vehicles on part of the power unit.

(g) The provisions of this section shall take effect ninety days after the date of enactment of this title.

(h) The length limitations described in this section shall be exclusive of safety and energy conservation devices, such as rear view mirrors, turn signal lamps, marker lamps, steps and handholds for entry and egress, flexible fender extensions, mudflaps and splash and spray suppressant devices, load-induced tire bulge, refrigeration units or air compressors and other devices, which the Secretary may interpret as necessary for safe and efficient operation of commercial motor vehicles, except that no device excluded under this subsection from the limitations of this section shall have by its design or use the capability to carry cargo.

ACCESS TO THE INTERSTATE SYSTEM

SEC. 412. No State may enact or enforce any law denying reasonable access to commercial motor vehicles subject to this title between (1) the Interstate and Defense Highway System and any other qualifying Federal-aid Primary System highways, as designated by the Secretary, and (2) terminals, facilities for food, fuel, repairs, and rest, and points of loading and unloading for household goods carriers.

ENFORCEMENT

SEC. 413. The Secretary, or, on the request of the Secretary, the Attorney General of the United States, is authorized and directed to institute any civil action for injunctive relief as may be appropriate to assure compliance with the provisions of this title. Such action may be instituted in any district court of the United States in any State where such relief is required to assure compliance with the terms of this title. In any action under this section, the court shall, upon a proper showing, issue a temporary restraining order or preliminary or permanent injunction. In any such action, the court may also issue a mandatory injunction commanding any State or person to comply with any applicable provision of this title, or any rule issued under authority of this title.

SPLASH AND SPRAY SUPPRESSANT DEVICES

SEC. 414. (a) The Congress declares that visibility on wet roadways on the Interstate System should be improved by reducing, by a practicable and reliable means, splash and spray from truck tractors, semitrailers, and trailers.

(b) The Secretary shall by regulation—

(1) within one year after the date of the enactment of this title, establish minimum standards with respect to the performance and installation of splash and spray suppression devices for use on truck tractors, semitrailers, or trailers;

(2) within two years after the date of the enactment of this title, require that all new truck tractors, semitrailers, and trailers operated on the Interstate System be equipped with any splash and spray suppression device which satisfies the standards established pursuant to paragraph (1) of this subsection; and

(3) within five years after the date of the enactment of this title, require that all truck trailers, semitrailers, and trailers

operated on the Interstate System be equipped with any splash and spray suppression device which satisfies the standards established pursuant to paragraph (1) of this subsection.

(c) For the purposes of this section, the term—

(1) "truck tractor" means the noncargo carrying power unit that operates in combination with a semitrailer or trailer(s);

(2) "semitrailer" and "trailer" mean any semitrailer or trailer, respectively, with respect to which section 411 of this title applies; and

(3) "Interstate System" has the same meaning provided in section 101 of title 23, United States Code.

REPORT REGARDING LONGER COMBINATION COMMERCIAL MOTOR VEHICLES

SEC. 415. (a) Within 18 months after the date of enactment of this title, the Secretary, after consultation with the transportation officials and Governors of the several States and after an opportunity for public comment, shall submit to Congress a detailed report on the potential benefits and costs if any, to shippers, receivers, operators of commercial motor vehicles, and the general public, that reasonably may be anticipated from the establishment of a National intercity truck route network for the operation of a special class of longer combination commercial motor vehicles.

(b) For the purposes of this section, the term—

(1) "longer combination commercial motor vehicles" means multiple-trailer combinations consisting of (A) truck tractor-semitrailer-full trailer, and (B) truck tractor-semitrailer-full trailer-full trailer combinations with an overall length not in excess of one hundred and ten feet; and

(2) "national intercity truck route network" means a network consisting of a number of controlled-access, interconnecting segments of the National System of Interstate and Defense Highways and other highways of comparable design and traffic capacity including, but not limited to, all such highways where the operation of longer combination commercial motor vehicles is authorized on the date of enactment of this section.

(c) The detailed report mandated by this section shall include, but need not be limited to, the following—

(1) a specific plan of the establishment of a national intercity truck route network, including the designation of those specific highway segments which would be required to connect the major distribution centers and markets for long-haul intercity freight service, except that the Secretary shall not include in the plan any highway segment which, because of design limitations or other factors, cannot accommodate the safe operation of longer combination commercial motor vehicles;

(2) an analysis of the intercity motor freight volume that reasonably can be anticipated to be transported by longer combination commercial motor vehicles over the national intercity truck route network if such network is established by Congress;

(3) an analysis of the fuel savings that reasonably can be anticipated in the transportation of freight by commercial motor vehicle if such network is established by Congress;

(4) an analysis of the productivity gains that reasonably can be anticipated to be achieved in the transportation of freight by commercial motor vehicle if such network is established by Congress;

(5) an analysis of the fuel conservation and productivity gains historically achieved by operators of longer combination commercial motor vehicles; and

(6) an analysis of the safety record of longer combination commercial motor vehicle operations that have been conducted prior to the date of enactment of this section.

(d) In making the findings and determinations required by subsection (c) of this section, and in making the detailed report to Congress required by this section, the Secretary shall assume that the longer combination commercial motor vehicles operating on the national intercity truck route network, if and when established by Congress, would be subject to the single- and tandem-axle weight limits imposed by section 127 of title 23, United States Code. The Secretary shall further assume that the overall gross weight of such vehicles on a group of two or more consecutive axles shall be limited by the formula set forth in such section, and only by such formula.

(e) In making the detailed report to Congress required by this section, the Secretary shall assume that longer combination commercial motor vehicles operating on the national intercity truck route network will have reasonable access to terminals, combination breakup areas, and food and fuel facilities consistent with safe operations of such vehicles.

PART C—OTHER PROVISIONS

STATE RECREATIONAL BOATING

SEC. 421. (a) The Federal Boat Safety Act of 1971 (Public Law 92-75; 85 Stat. 213) is amended as follows:

(1) By inserting "contract with, and" immediately after "The Secretary may" in the second sentence of section 25(a) (46 U.S.C. 1474(a)) and in section 26(a) (46 U.S.C. 1475(a)) immediately after "promulgate, may".

(2) In section 26 (b) and (c) (46 U.S.C. 1475 (b) and (c))—

(A) by striking "appropriated" and inserting "authorized to be expended"; and

(B) by adding at the end thereof the following: "His action in doing so shall be deemed a contractual obligation of the United States for the payment of the proportional share of the cost of implementing the program.".

(3) In section 26(d) (46 U.S.C. 1475(d))—

(A) by striking "appropriated" in the third and fourth sentences and inserting in lieu thereof "authorized to be expended";

(B) by inserting immediately after the third sentence the following: "Approval of those elements of a combined program shall be deemed a contractual obligation of the United States for the payment of the proportional share of the cost of implementing State recreational boating safety programs pursuant to this Act."; and

(C) by adding at the end thereof the following: "Approval of those elements of a combined program shall be deemed a contractual obligation of the United States for the payment of the proportional share of the cost of implementing State recreational boating facilities programs pursuant to this Act.".

(4) In section 30 (46 U.S.C. 1479) by striking the section heading and all that follows thereafter and inserting in lieu thereof the following:

"AUTHORIZATION OF CONTRACT SPENDING AUTHORITY FOR STATE RECREATIONAL BOATING SAFETY AND FACILITIES IMPROVEMENT PROGRAMS

"Sec. 30. For the purposes of providing financial assistance for State recreational boating safety and facilities improvement programs, the Secretary is authorized to expend, subject to such amounts as are provided in appropriations Acts for liquidation of contract authority, an amount equal to the revenues accruing each fiscal year from the taxes under section 4041(b) of the Internal Revenue Code of 1954 with respect to special motor fuels used as fuel in motor boats and under section 4081 of such Code with respect to gasoline used as fuel in motor boats. Of the funds available for allocations and distribution for recreational boating safety and facilities improvement programs, one-third shall be allocated for recreational boating safety programs and two-thirds shall be allocated for recreational boating facilities improvement programs beginning with fiscal year 1983. Any funds authorized to be expended for State recreational and boating safety improvement programs shall remain available until expended and shall be deemed to have been expended only if a sum equal to the total amounts authorized to be expended under this section for the fiscal year in question and all previous fiscal years have been obligated. Any funds that were previously obligated but are released by payment of a final voucher or modification of a program acceptance shall be credited to the balance of unobligated funds and shall be immediately available for expenditure.".

REFORESTATION

SEC. 422. (a) Sections 303(d) and (e) of the Act of October 14, 1980 (P.L. 96-451, 16 U.S.C. 160a(d) and (e)), are amended to read as follows:

"(d) During each of the fiscal years 1983, 1984, and 1985, the Secretary of Agriculture shall expend all amounts available in the Trust Fund (including any amounts not expended in previous fiscal years) for—

"(1) reforestation and timber stand improvement as set forth in the Congressional policy in section 3(d) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601(d)); and

"(2) administrative costs of the Federal Government properly allocatable to the activities described in paragraph (1).

In no event may the Secretary expend less than $104,000,000 out of the Trust Fund in fiscal year 1983 for the purposes of this subsection.

"(e) It is the intent of Congress that the Secretary shall expend all of the funds available in the Trust Fund in each fiscal year. Any such funds which are not expended in a given fiscal year shall remain available for expenditure without fiscal year limitation; except that any funds not expended prior to October 1, 1985, shall, no later than April 30, 1986, be distributed to the States for use in State forestry programs pursuant to the formula set forth in the Act of May 23, 1908 (16 U.S.C. 500, Public Law 136, Sixtieth Congress)."

(b) In section 303(b)(1) of such Act, strike out "and before October 1, 1985,".

SALTONSTALL-KENNEDY ACT AMENDMENT

SEC. 423. (a) Section 2(e) of the Act of August 11, 1939, commonly referred to as the Saltonstall-Kennedy Act (15 U.S.C. 713c-3 (e)), is amended to read as follows:

"(e) ALLOCATION OF FUND MONEYS.—(1) Notwithstanding any other provision of law, all moneys in the fund shall be used exclusively for the purpose of promoting United States fisheries in accordance with the provisions of this section, and no such moneys shall be transferred from the fund for any other purpose. With respect to any fiscal year, all moneys in the fund, including the sum of all unexpended moneys carried over into that fiscal year and all moneys transferred to the fund under subsection (b) or any other provision of law with respect to that fiscal year, shall be allocated as follows:

"(A) the Secretary shall use no less than 60 per centum of such moneys to make direct industry assistance grants to develop the United States fisheries and to expand domestic and foreign markets for United States fishery products pursuant to subsection (c) of this section; and

"(B) the Secretary shall use the balance of the moneys in the fund to finance those activities of the National Marine Fisheries Service which are directly related to development of the United States fisheries pursuant to subsection (d) of this section.

"(2) The Secretary shall, consistent with the number of meritorious applications received with respect to any fiscal year, obligate or expend all of the moneys in the fund described in paragraph (1). Any such moneys which are not expended in a given fiscal year shall remain available for expenditure in accordance with this section without fiscal year limitation, except that the Secretary shall not obligate such moneys at a rate less than that necessary to prevent the balance of moneys in the fund from exceeding $3,000,000 at the end of any fiscal year.".

(b) The amendment made by subsection (a) of this section shall take effect on October 1, 1983.

OCEAN DUMPING

SEC. 424. (a) Section 104 of the Marine Protection, Research, and Sanctuaries Act of 1972 (33 U.S.C. 1431(b)) is amended by adding the following new subsections at the end thereof:

"(h) Notwithstanding any provision of title I of the Marine Protection, Research, and Sanctuaries Act of 1972 to the contrary, during the two-year period beginning on the date of enactment of this subsection, no permit may be issued under such title I that authorizes the dumping of any low-level radioactive waste unless the Administrator of the Environmental Protection Agency determines—

"(1) that the proposed dumping is necessary to conduct research—

"(A) on new technology related to ocean dumping, or

"(B) to determine the degree to which the dumping of such substance will degrade the marine environment;

"(2) that the scale of the proposed dumping is limited to the smallest amount of such material and the shortest duration of time that is necessary to fulfill the purposes of the research, such that the dumping will have minimal adverse impact upon human health, welfare, and amenities, and the marine environment, ecological systems, economic potentialities, and other legitimate uses;

"(3) after consultation with the Secretary of Commerce, that the potential benefits of such research will outweigh any such adverse impact; and

"(4) that the proposed dumping will be preceded by appropriate baseline monitoring studies of the proposed dump site and its surrounding environment.

Each permit issued pursuant to this subsection shall be subject to such conditions and restrictions as the Administrator determines to be necessary to minimize possible adverse impacts of such dumping.

"(i)(1) Two years after the date of enactment of this subsection, the Administrator may not issue a permit under this title for the disposal of radioactive waste material until the applicant, in addition to complying with all other requirements of this title, prepares, with respect to the site at which the disposal is proposed, a Radioactive Material Disposal Impact Assessment which shall include—

"(A) a listing of all radioactive materials in each container to be disposed, the number of containers to be dumped, the structural diagrams of each container, the number of curies of each material in each container, and the exposure levels in rems at the inside and outside of each container;

"(B) an analysis of the environmental impact of the proposed action, at the site at which the applicant desires to dispose of the material, upon human health and welfare and marine life;

"(C) any adverse environmental effects at the site which cannot be avoided should the proposal be implemented;

"(D) an analysis of the resulting environmental and economic conditions if the containers fail to contain the radioactive waste material when initially deposited at the specific site;

"(E) a plan for the removal or containment of the disposed nuclear material if the container leaks or decomposes;

"(F) a determination by each affected State whether the proposed action is consistent with its approved Coastal Zone Management Program;

"(G) an analysis of the economic impact upon other users of marine resources;

"(H) alternatives to the proposed action;

"(I) comments and results of consultation with State officials and public hearings held in the coastal States that are nearest to the affected areas;

. ."(J) a comprehensive monitoring plan to be carried out by the applicant to determine the full effect of the disposal on the marine environment, living resources, or human health, which plan shall include, but not be limited to, the monitoring of exterior container radiation samples, the taking of water and sediment samples, and fish and benthic animal samples, adjacent to the containers, and the acquisition of such other information as the Administrator may require; and

"(K) such other information which the Administrator may require in order to determine the full effects of such disposal.

"(2) The Administrator shall include, in any permit to which paragraph (1) applies, such terms and conditions as may be necessary to ensure that the monitoring plan required under paragraph (1)(J) is fully implemented, including the analysis by the Administrator of the samples required to be taken under the plan.

"(3) The Administrator shall submit a copy of the assessment prepared under paragraph (1) with respect to any permit to the Committee on Merchant Marine and Fisheries of the House of Representatives and the Committee on Environment and Public Works of the Senate.

"(4) (A) Upon a determination by the Administrator that a permit to which this subsection applies should be issued, the Administrator shall transmit such a recommendation to the House of Representatives and the Senate.

"(B) No permit may be issued by the Administrator under this act for the disposal of radioactive materials in the ocean unless the Congresss, by approval of a resolution described in paragraph (D) within 90 days of continuous session of the Congress beginning on the date after the date of receipt by the Senate and the House of Representatives of such recommendation, authorizes the Administrator to grant a permit to dispose of radioactive material under this Act.

"(C) For purposes of this subsection—

"(1) continuity of session of the Congress is broken only by an adjournment sine die;

"(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the 90 day calendar period.

"(D) For the purposes of this subsection, the term "resolution" means a joint resolution, the resolving clause of which is as follows: "That the House of Representatives and the Senate approve and authorize the Administrator of the Environmental Protection Agency to grant a permit under the Marine Protection, Research, and Sanctuaries Act of 1972 to dispose of radioactive materials in the ocean as recommended by the Administrator to the Congress on ———,

19—."; the first blank space therein to be filled with the appropriate applicant to dispose of nuclear material and the second blank therein to be filled with the date on which the Administrator submits the recommendation to the House of Representatives and the Senate."

THE MERCHANT MARINE ACT, 1936

SEC. 425. Section 1103(f) of the Merchant Marine Act, 1936 (46 U.S.C. 1273(f)), is amended by adding at the end thereof the following new sentence: "No additional limitations may be imposed on new commitments to guarantee loans for any fiscal year, except in such amounts as established in advance in annual authorization Acts. No vessel eligible for guarantees under this title shall be denied eligibility because of its type.".

AIRPORT AND AIRWAY DEVELOPMENT PROGRAM

SEC. 426. (a) Section 507(a) of the Airport and Airway Improvement Act of 1982 (title V, Public Law 97-248, 96 Stat. 679) is amended by redesignating paragraph (3) as paragraph (3)(A) and adding immediately thereafter a new subparagraph (B) as follows:

"(B) There is hereby established a supplementary discretionary fund consisting of those amounts to be credited to such fund pursuant to section 505(a) of this title. Amounts in the supplementary discretionary fund shall be distributed by the Secretary in the same manner and for the same purposes as funds distributed pursuant to subparagraph (A) except that (i) such amounts may only be distributed for projects involving construction, reconstruction, or repair begun after the date of enactment of this subparagraph and not to pay for any such work begun before such date, and (ii) the Secretary shall give preference to those projects that increase the safety or capacity of the airport receiving such funds. If any Act of Congress has the effect of limiting or reducing the amount authorized or available to be obligated for any fiscal year for the purposes of section 505, the Secretary shall implement such limitation or reduction by deferring the distribution of a corresponding amount of supplementary discretionary funds until a subsequent fiscal year. In no event may the Secretary reduce any other apportionment or distribution under this section in order to comply with any such Congressional limitation or reduction unless all of the supplementary discretionary funds available for distribution in such year have been deferred until a subsequent fiscal year.".

(b) Section 505(a) of such Act is amended by—

(1) striking out "$1,050,000,000" and inserting in lieu thereof $1,250,000,000 of which $200,000,000 shall be credited to the supplementary discretionary fund established by paragraph (3)(B) of section 507(a) of this title";

(2) striking out "$1,843,500,000" and inserting in lieu thereof "$2,243,500,000, of which $400,000,000 shall be credited to such fund";

(3) striking out "$2,755,500,000" and inserting in lieu thereof "$3,230,500,000, of which $475,000,000 shall be credited to such fund";

(4) striking out "$3,772,500,000" and inserting in lieu thereof "$4,247,500,000, of which $475,000,000 shall be credited to such fund";

(5) striking out "$4,789,700,000" and inserting in lieu thereof "$5,264,700,000 of which $475,000,000 shall be credited to such fund"; and

(6) adding at the end thereof the following new sentence: "Those amounts credited to the supplementary discretionary fund pursuant to this subsection shall not be subject to any of the apportionments or distributions set forth in sections 507(a)(1), (2), (3)(A), or 508(d) of this title.".

(c) The first sentence of section 506(c)(2) of such Act is amended by striking out everything after "section 505" and inserting in lieu thereof "for that fiscal year multiplied by a factor equal to 1.83 in the case of fiscal year 1983; 1.25 in the case of fiscal year 1984; 1.28 in the case of fiscal year 1985; 1.28 in the case of fiscal year 1986; and 1.34 in the case of fiscal year 1987.".

(d) The second sentence of section 507(a)(1)(E) of such Act is amended by inserting ", after complying with the provisions of paragraph (3)(B) of this subsection," immediately after "the Secretary".

(e) Section 9502(d)(1)(A) of the Internal Revenue Code of 1954 is amended by striking out "the Airport and Airway Improvement Act of 1982", the second time it appears therein, and inserting in lieu thereof "the Surface Transportation Assistance Act of 1982".

CODIFICATION CORRECTIONS

SEC. 427. Section 11909(b) of title 49, United States Code, is amended by inserting after "chapter 105 of this title" the following: ", or subject to the jurisdiction of the Commission prior to enactment of the Department of Transportation Act,".

(b) Section 11914(b) of title 49, United States Code, is amended by inserting after "chapter 105 of this title," the following: "or subject to the jurisdiction of the Commission prior to enactment of the Department of Transportation Act,".

TITLE V—HIGHWAY REVENUE ACT OF 1982

Subtitle A—Short Title; Table of Contents; Amendment of 1954 Code

SEC. 501. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Highway Revenue Act of 1982".

(b) TABLE OF CONTENTS.—

TITLE V—HIGHWAY REVENUE ACT OF 1982

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SEC. 502. AMENDMENT OF 1954 CODE.

Except as otherwise expressly provided therein, whenever in subtitle B an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

Subtitle B—Tax Changes

SEC. 511. MOTOR FUEL TAXES.

(a) TAXES ON GASOLINE, DIESEL FUEL, AND SPECIAL MOTOR FUELS INCREASED FROM 4 CENTS A GALLON TO 9 CENTS A GALLON.—

(1) GASOLINE TAX.—Subsection (a) of section 4081 (relating to tax on gasoline) is amended by striking out "4 cents a gallon" and inserting in lieu thereof "9 cents a gallon".

(2) DIESEL FUEL AND SPECIAL MOTOR FUELS.—Section 4041 (relating to tax on diesel fuel and special motor fuels) is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a) DIESEL FUEL AND SPECIAL MOTOR FUELS.—

"(1) DIESEL FUEL.—There is hereby imposed a tax of 9 cents a gallon on any liquid (other than any product taxable under section 4081)—

"(A) sold by any person to an owner, lessee, or other operator of a diesel-powered highway vehicle for use as a fuel in such vehicle, or

"(B) used by any person as a fuel in a diesel-powered highway vehicle unless there was a taxable sale of such liquid under subparagraph (A).

"(2) SPECIAL MOTOR FUELS.—There is hereby imposed a tax of 9 cents a gallon on benzol, benzene, naphtha, liquefied petroleum gas, casing head and natural gasoline, or any other liquid

(other than kerosene, gas oil, or fuel oil, or any product taxable under section 4081 or paragraph (1) of this subsection)—

"(A) sold by any person to an owner, lessee, or other operator of a motor vehicle or motorboat for use as a fuel in such motor vehicle or motorboat, or

"(B) used by any person as a fuel in a motor vehicle or motorboat unless there was a taxable sale of such liquid under subparagraph (A)."

(b) EXEMPTION FOR METHANOL AND ETHANOL FUELS.—

(1) IN GENERAL.—Section 4041 is amended by adding at the end of the subsection (b) inserted by subsection (c) of this section the following new paragraph:

"(2) QUALIFIED METHANOL AND ETHANOL FUEL.—

"(A) IN GENERAL.—No tax shall be imposed by subsection (a) on any qualified methanol or ethanol fuel.

"(B) QUALIFIED METHANOL OR ETHANOL FUEL.—The term 'qualified methanol or ethanol fuel' means any liquid at least 85 percent of which consists of methanol, ethanol, or other alcohol produced from a substance other than petroleum or natural gas.

"(C) TERMINATION.—On and after October 1, 1988, subparagraph (A) shall not apply."

(2) COORDINATION WITH CREDIT.—Subsection (c) of section 44E (relating to coordination of credit for alcohol used as a fuel with exemption from excise tax) is amended by striking out "section 4041(k) or 4081(c)" and inserting in lieu thereof "subsection (b)(2) or (k) of section 4041 or section 4081(c)".

(c) EXEMPTION FOR OFF-HIGHWAY BUSINESS USE.—

(1) GASOLINE.—Subsection (a) of section 6421 (relating to nonhighway use of gasoline) is amended by striking out the first sentence and inserting in lieu thereof the following: "Except as provided in subsection (i), if gasoline is used in an off-highway business use, the Secretary shall pay (without interest) to the ultimate purchaser of such gasoline an amount equal to the amount determined by multiplying the number of gallons so used by the rate at which tax was imposed on such gasoline under section 4081."

(2) DIESEL FUEL AND SPECIAL MOTOR FUELS.—Section 4041 is amended by inserting after subsection (a) the following new subsection:

"(b) EXEMPTION FOR OFF-HIGHWAY BUSINESS USE; EXEMPTION FOR QUALIFIED METHANOL AND ETHANOL FUEL.—

"(1) EXEMPTION FOR OFF-HIGHWAY BUSINESS USE.—

"(A) IN GENERAL.—No tax shall be imposed by subsection (a) on liquids sold for use or used in an off-highway business use.

"(B) TAX WHERE OTHER USE.—If a liquid on which no tax was imposed by reason of subparagraph (A) is used otherwise than in an off-highway business use, a tax shall be imposed by paragraph (1)(B) or (2)(B) of subsection (a) (whichever is appropriate).

"(C) OFF-HIGHWAY BUSINESS USE DEFINED.—For purposes of this subsection, the term 'off-highway business use' has the meaning given to such term by section 6421(d)(2)."

(3) CLERICAL AMENDMENTS.—

(A) Subparagraphs (A) and (B) of section 6421(d)(2) are each amended by striking out "qualified business use" and inserting in lieu thereof "off-highway business use".

(B) The heading for paragraph (2) of section 6421(d) is amended by striking out "QUALIFIED" and inserting in lieu thereof "OFF-HIGHWAY".

(d) RATES OF TAX FOR GASOHOL.—

(1) AMENDMENTS OF SECTION 4081.—

(A) IN GENERAL.—Paragraph (1) of section 4081(c) (relating to gasoline mixed with alcohol) is amended by striking out "no tax shall be imposed by this section on the sale of any gasoline" and inserting in lieu thereof "subsection (a) shall be applied by substituting '4 cents' for '9 cents' in the case of the sale of any gasoline".

(B) TREATMENT OF LATER SEPARATION.—

(i) Paragraph (2) of section 4081(c) is amended by striking out "tax was not imposed by reason of this subsection" and inserting in lieu thereof "tax was imposed under subsection (a) at the rate of 4 cents a gallon by reason of this subsection".

(ii) Paragraph (2) of section 4081(c) is amended by adding at the end thereof the following new sentence: "The amount of tax imposed on any sale of such gasoline by such person shall be 5 cents a gallon."

(2) AMENDMENT OF SECTION 4041.—Subsection (k) of section 4041 (relating to fuels containing alcohol) is amended to read as follows:

"(k) FUELS CONTAINING ALCOHOL.—

"(1) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of the sale or use of any liquid fuel at least 10 percent of which consists of alcohol (as defined in section 4081(c)(3))—

"(A) subsection (a) shall be applied by substituting '4 cents' for '9 cents' each place it appears, and

"(B) no tax shall be imposed by subsection (c).

"(2) LATER SEPARATION.—If any person separates the liquid fuel from a mixture of the liquid fuel and alcohol to which paragraph (1) applied, such separation shall be treated as a sale of the liquid fuel. Any tax imposed on such sale shall be reduced by the amount (if any) of the tax imposed on the sale of such mixture.

"(3) TERMINATION.—Paragraph (1) shall not apply to any sale or use after December 31, 1992."

(3) CREDIT FOR ALCOHOL USED AS A FUEL.—Section 44E (relating to alcohol used as a fuel) is amended—

(A) by striking out "40 cents" each place it appears and inserting in lieu thereof "50 cents", and

(B) by striking out "30 cents" each place it appears and inserting in lieu thereof "37.5 cents".

(4) AMENDMENTS OF SECTION 6427.—Subsection (f) of section 6427 is amended to read as follows:

"(f) GASOLINE USED TO PRODUCE CERTAIN ALCOHOL FUELS.—

"(1) IN GENERAL.—Except as provided in subsection (i), if any gasoline on which a tax is imposed by section 4081 at the rate of 9 cents a gallon is used by any person in producing a mixture described in section 4081(c) which is sold or used in such person's trade or business, the Secretary shall pay (without interest) to such person an amount equal to the amount determined at the rate of 5 cents a gallon. The preceding sentence shall not apply with respect to any mixture sold or used after December 31, 1992.

"(2) COORDINATION WITH OTHER REPAYMENT PROVISIONS.—No amount shall be payable under paragraph (1) with respect to any gasoline with respect to which an amount is payable under subsection (d) or (e) of this section or under section 6420 or 6421."

(5) Tariff on alcohol imported for use as a fuel.—Item 901.50 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "40 cents per gal." each place it appears and inserting in lieu thereof "50 cents per gal."

(e) USE IN CERTAIN TAXICABS.—

(1) IN GENERAL.—Paragraph (1) of section 6427(e) (relating to use in certain taxicabs) is amended by striking out "an amount equal to the aggregate amount of the tax imposed on such gasoline or fuel" and inserting in lieu thereof "an amount determined at the rate of 4 cents a gallon".

(2) EXTENSION OF REPAYMENT.—Paragraph (3) of section 6427(e) (relating to termination) is amended by striking out December 31, 1982" and inserting in lieu thereof "September 30, 1984".

(3) SUSPENSION OF SHARED TRANSPORTATION REQUIREMENT.—Clause (ii) of section 6427(e)(2)(A) (relating to qualified taxicab services) is amended to read as follows:

"(ii) is not prohibited by company policy from furnishing (with the consent of the passengers) shared transportation."

(4) STUDY.—The Secretary of the Treasury or his delegate shall conduct a study of the reduced rate of fuels taxes provided for taxicabs by section 6427(e) of the Internal Revenue Code of 1954. Not later than January 1, 1984, the Secretary shall transmit a report on the study conducted under the preceding sentence to the Congress, together with such recommendations as he may deem advisable.

(f) REFUND OF MOTOR FUEL TAXES TO AERIAL AND OTHER APPLICATORS OF AGRICULTURAL SUBSTANCES.—Paragraph (4) of section 6420(c) (defining use on a farm for farming purposes) is amended to read as follows:

"(4) CERTAIN FARMING USE OTHER THAN BY OWNER, ETC.—In applying paragraph (3)(A) to a use on a farm for any purpose described in paragraph (3)(A) by any person other than the owner, tenant, or operator of such farm—

"(A) the owner, tenant, or operator of such farm shall be treated as the user and ultimate purchaser of the gasoline, except that

"(B) if—

"(i) the person so using the gasoline is an aerial or other applicator of fertilizers or other substances and is the ultimate purchaser of the gasoline, and

"(ii) the person described in subparagraph (A) waives (at such time and in such form and manner as the Secretary shall prescribe) his right to be treated as the user and ultimate purchaser of the gasoline,

then subparagraph (A) of this paragraph shall not apply and the aerial or other applicator shall be treated as having used such gasoline on a farm for farming purposes."

(g) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) GASOLINE USED IN NONCOMMERCIAL AVIATION.—Paragraph (3) of section 4041(c) (relating to noncommercial aviation) is amended to read as follows:

"(3) RATE OF TAX.—The rate of tax imposed by paragraph (2) on any gasoline is the excess of 12 cents a gallon over the rate at which tax was imposed on such gasoline under section 4081."

(2) COMFORMING AMENDMENTS.—

(A) Paragraph (2) of section 6416(b) is amended by striking out "section 4041 (a)(1) or (b)(1)" and inserting in lieu thereof "paragraph (1)(A) or (2)(A) of section 4041(a)".

(B) Subsection (a) of section 6427 is amended by striking out "section 4041 (a), (b), or (c)" and inserting in lieu thereof "section 4041 (a) or (c)".

(C) Paragraph (1) of section 6427(b) is amended by striking out "subsection (a) or (b) of section 4041" each place it appears and inserting in lieu thereof "subsection (a) of section 4041".

(D) Subsection (c) of section 6427 is amended by striking out "section 4041 (a), (b) or (c)" and inserting in lieu thereof "section 4041 (a) or (c)".

(h) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on April 1, 1983.

(2) TARIFF ON IMPORTED ALCOHOL.—The amendment made by subsection (d)(5) shall apply with respect to articles entered, or withdrawn from warehouse for consumption, after March 31, 1983.

(3) FOR SUBSECTION (e)(2).—The amendment made by subsection (e)(2) shall take effect on January 1, 1983.

(4) SHARED TRANSPORTATION REQUIREMENT.—The amendment made by subsection (e)(3) shall apply with respect to fuel purchased after December 31, 1982, and before January 1, 1984.

SEC. 512. EXCISE TAX ON HEAVY TRUCKS.

(a) CHANGES IN EXISTING MANUFACTURERS EXCISE TAX.—

(1) INCREASE IN THRESHOLD WEIGHTS.—Paragraph (2) of section 4061(a) (relating to exclusion for light-duty trucks, etc.) is amended to read as follows:

"(2) EXCLUSION FOR TRUCKS WITH GROSS VEHICLE WEIGHT OF 33,000 POUNDS OR LESS, AND CERTAIN TRAILERS.—

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"(A) The tax imposed by paragraph (1) shall not apply to automobile truck chassis and automobile truck bodies, suitable for use with a vehicle which has a gross vehicle weight of 33,000 pounds or less (as determined under regulations prescribed by the Secretary).

"(B) The tax imposed by paragraph (1) shall not apply to truck trailer and semitrailer chassis and bodies, suitable for use with a trailer or semitrailer which has a gross vehicle weight of 26,000 pounds or less (as determined under regulations prescribed by the Secretary)."

(2) REPEAL OF TAX ON PARTS AND ACCESSORIES, TERMINATION OF TAX IMPOSED AT MANUFACTURES LEVEL.—Section 4061 is amended by adding at the end thereof the following new subsection:

"(c) TERMINATION.—

"(1) TAX ON PARTS AND ACCESSORIES.—On and after the day after the date of the enactment of this subsection, the tax imposed by subsection (b) shall not apply.

"(2) TAX ON TRUCKS.—On and after April 1, 1983, the tax imposed by subsection (a) shall not apply."

(3) EXEMPTION OF CERTAIN RAIL TRAILERS AND VANS.—Subsection (a) of section 4063 (relating to exemptions for specified articles) is amended by adding at the end thereof the following new paragraph:

"(8) RAIL TRAILERS AND RAIL VANS.—The tax imposed under section 4061 shall not apply in the case of—

"(A) any chassis or body of a trailer or semitrailer which is designed for use both as a highway vehicle and a railroad car, and

"(B) any parts or accessories designed primarily for use on or in connection with an article described in subparagraph (A).

For purposes of this paragraph, a piggy-back trailer or semitrailer shall not be treated as designed for use as a railroad car."

(4) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the day after the date of the enactment of this Act.

(b) IMPOSITION OF RETAIL TAX ON SALE OF HEAVY TRUCKS AND TRAILERS.—

(1) IN GENERAL.—Chapter 31 is amended by adding at the end thereof the following new subchapter:

"Subchapter B—Heavy Trucks and Trailers

"Sec. 4051. Imposition of tax on heavy trucks and trailers sold at retail.
"Sec. 4052. Definitions and special rules.
"Sec. 4053. Exemptions.

"SEC. 4051. IMPOSITION OF TAX ON HEAVY TRUCKS AND TRAILERS SOLD AT RETAIL.

"(a) IMPOSITION OF TAX.—

"(1) IN GENERAL.—There is hereby imposed on the first retail sale of the following articles (including in each case parts or accessories sold on or in connection therewith or with the sale

thereof) a tax of 12 percent of the amount for which the article is so sold:

"(A) Automobile truck chassis.

"(B) Automobile truck bodies.

"(C) Truck trailer and semitrailer chassis

"(D) Truck trailer and semitrailer bodies.

"(E) Tractors of the kind chiefly used for highway transportation in combination with a trailer or semitrailer.

"(2) EXCLUSION FOR TRUCKS WEIGHING 33,000 POUNDS OR LESS.—The tax imposed by paragraph (1) shall not apply to automobile truck chassis and automobile truck bodies, suitable for use with a vehicle which has a gross vehicle weight of 33,000 pounds or less (as determined under regulations prescribed by the Secretary).

"(3) EXCLUSION FOR TRAILERS WEIGHING 26,000 POUNDS OR LESS.—The tax imposed by paragraph (1) shall not apply to truck trailer and semitrailer chassis and bodies, suitable for use with a trailer or semitrailer which has a gross vehicle weight of 26,000 pounds or less (as determined under regulations prescribed by the Secretary.

"(4) SALE OF TRUCKS, ETC., TREATED AS SALE OF CHASSIS AND BODY.—For purposes of this subsection, a sale of an automobile truck or truck trailer or semitrailer shall be considered to be a sale of a chassis and of a body described in paragraph (1).

"(b) SEPARATE PURCHASE OF TRUCK OR TRAILER AND PARTS AND ACCESSORIES THEREFOR.—Under regulations prescribed by the Secretary—

"(1) IN GENERAL.—If—

"(A) the owner, lessee, or operator of any vehicle which contains an article taxable under subsection (a) installs (or causes to be installed) any part or accessory on such vehicle, and

"(B) such installation is not later than the date 6 months after the date such vehicle (as it contains such article) was first placed in service,

then there is hereby imposed on such installation a tax equal to 12 percent of the price of such part or accessory and its installation.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) the part or accessory installed is a replacement part or accessory, or

"(B) the aggregate price of the parts and accessories (and their installation) described in paragraph (1) with respect to any vehicle does not exceed $200 (or such other amount or amounts as the Secretary may by regulations prescribe).

"(3) INSTALLERS SECONDARILY LIABLE FOR TAX.—In addition to the owner, lessee, or operator of the vehicle, the owner of the trade or business installing the part or accessory shall be liable for the tax imposed by paragraph (1).

"(c) TERMINATION.—On and after October 1, 1988, the taxes imposed by this section shall not apply.

"(d) TRANSITIONAL RULE.—In the case of any article taxable under subsection (a) on which tax was imposed under section

4061(a), subsection (a) shall be applied by substituting '2 percent' for '12 percent'.

"SEC. 4052. DEFINITIONS AND SPECIAL RULES.

"(a) FIRST RETAIL SALE.—For purposes of this subchapter—

"(1) IN GENERAL.—The term 'first retail sale' means the first sale, for a purpose other than for resale, after manufacture, production, or importation.

"(2) LEASES CONSIDERED AS SALES.—Rules similar to the rules of section 4217 shall apply.

"(3) USE TREATED AS SALE.—

"(A) IN GENERAL.—If any person uses an article taxable under section 4051 before the first retail sale of such article, then such person shall be liable for tax under section 4051 in the same manner as if such article were sold at retail by him.

"(B) EXEMPTION FOR USE IN FURTHER MANUFACTURE.—Subparagraph (A) shall not apply to use of an article as material in the manufacture or production of, or as a component part of, another article to be manufactured or produced by him.

"(C) COMPUTATION OF TAX.—In the case of any person made liable for tax by subparagraph (A), the tax shall be computed on the price at which similar articles are sold at retail in the ordinary course of trade, as determined by the Secretary.

"(b) DETERMINATION OF PRICE.—

"(1) IN GENERAL.—In determining price for purposes of this subchapter—

"(A) there shall be included any charge incident to placing the article in condition ready for use,

"(B) there shall be excluded—

"(i) the amount of the tax imposed by this subchapter,

"(ii) if stated as a separate charge, the amount of any retail sales tax imposed by any State or political subdivision thereof or the District of Columbia, whether the liability for such tax is imposed on the vendor or vendee, and

"(iii) the fair market value (including any tax imposed by section 4071) at retail of any tires (not including any metal rim or rim base), and

"(C) the price shall be determined without regard to any trade-in.

"(2) SALES NOT AT ARM'S LENGTH.—In the case of any article sold (otherwise than through an arm's-length transaction) at less than the fair market price, the tax under this subchapter shall be computed on the price for which similar articles are sold at retail in the ordinary course of trade, as determined by the Secretary.

"(c) CERTAIN COMBINATIONS NOT TREATED AS MANUFACTURE.—For purposes of this subchapter (other than subsection (a)(3)(B)), a person shall not be treated as engaged in the manufacture of any

article by reason of merely combining such article with any equipment or other item listed in section 4063(d).

"(d) CERTAIN OTHER RULES MADE APPLICABLE.—Under regulations prescribed by the Secretary, rules similar to the rules of—

"(1) subsections (c) and (d) of section 4216 (relating to partial payments), and

"(2) section 4222 (relating to registration),

shall apply for purposes of this subchapter.

"SEC. 4053. EXEMPTIONS.

"(a) EXEMPTION OF SPECIFIED ARTICLES.—No tax shall be imposed under section 4051 on any article specified in subsection (a) of section 4063.

"(b) CERTAIN EXEMPTIONS MADE APPLICABLE.—The exemptions provided by section 4221(a) are hereby extended to the tax imposed by section 4051."

(2) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) Chapter 31 is amended by striking out the chapter heading and inserting in lieu thereof the following:

"CHAPTER 31—RETAIL EXCISE TAXES

"Subchapter A. Special fuels.
"Subchapter B. Heavy trucks and trailers.

"Subchapter A—Special Fuels".

(B) The table of chapters for subtitle D is amended by striking out the item relating to chapter 31 and inserting in lieu thereof the following new item:

"Chapter 31. Retail excise taxes."

(C) Paragraph (2) of section 6416(b), as amended by this Act, is amended by inserting "or under section 4051" after "section 4041(a)".

(D) Paragraph (1) of section 6416(a) is amended by striking out "chapter 31 (special fuels)" and inserting in lieu thereof "chapter 31 (relating to retail excise taxes)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on April 1, 1983.

SEC. 513. HEAVY TRUCK USE TAX.

(a) INCREASE IN RATE OF TAX.—Subsection (a) of section 4481 (relating to imposition of tax) is amended to read as follows:

"(a) IMPOSITION OF TAX.—A tax is hereby imposed on the use of any highway motor vehicle which (together with the semitrailers and trailers customarily used in connection with highway motor vehicles of the same type as such highway motor vehicle) has a taxable gross weight of at least 33,000 pounds at the rate specified in the following table:

"(1) IN GENERAL.—

"Taxable gross weight		
At least	*But less than*	*Rate of tax*
33,000 pounds	*55,000 pounds*	*$50 a year, plus $25 for each 1,000 pounds or fraction thereof in excess of 33,000 pounds.*
55,000 pounds	*80,000 pounds*	*$600 a year, plus the applicable rate for each 1,000 pounds or fraction thereof in excess of 55,000 pounds.*
80,000 pounds or more		*The maximum tax a year."*

"(2) DEFINITIONS.—For purposes of paragraph (1)—

"In the case of the taxable period beginning on July 1 of:	*The applicable rate is:*	*The maximum tax is:*
1984	*$40*	*$1,600*
1985	*40*	*1,600*
1986	*44*	*1,700*
1987	*48*	*1,800*
1988 or thereafter	*52*	*1,900.".*

(b) EXEMPTION WHERE TRUCK USED FOR LESS THAN 5,000 MILES ON PUBLIC HIGHWAYS.—Section 4483 (relating to exemption from highway use tax) is amended by adding after subsection (c) thereof the following new subsection:

"(d) EXEMPTION FOR TRUCKS USED FOR LESS THAN 5,000 MILES ON PUBLIC HIGHWAYS.—

"(1) SUSPENSION OF TAX.—

"(A) IN GENERAL.—If—

"(i) it is reasonable to expect that the use of any highway motor vehicle on public highways during any taxable period will be less than 5,000 miles, and

"(ii) the owner of such vehicle furnishes such information as the Secretary may by forms or regulations require with respect to the expected use of such vehicle,

then the collection of the tax imposed by section 4481 with respect to the use of such vehicle shall be suspended during the taxable period.

"(B) SUSPENSION CEASES TO APPLY WHERE USE EXCEEDS 5,000 MILES.—Subparagraph (A) shall cease to apply with respect to any highway motor vehicle whenever the use of such vehicle on public highways during the taxable period exceeds 5,000 miles.

"(2) EXEMPTION.—If—

"(A) the collection of the tax imposed by section 4481 with respect to any highway motor vehicle is suspended under paragraph (1),

"(B) such vehicle is not used during the taxable period of public highways for more than 5,000 miles, and

"(C) except as otherwise provided in regulations, the owner of such vehicle furnishes such information as the Secretary may require with respect to the use of such vehicle during the taxable period,

then no tax shall be imposed by section 4481 on the use of such vehicle for the taxable period.

"(3) REFUND WHERE TAX PAID AND VEHICLE NOT USED FOR MORE THAN 5,000 MILES.—If—

"(A) the tax imposed by section 4481 is paid with respect to any highway motor vehicle for any taxable period, and

"(B) the requirements of subparagraphs (B) and (C) of paragraph (2) are met with respect to such taxable period,

the amount of such tax shall be credited or refunded (without interest) to the person who paid such tax.

"(4) RELIEF FROM LIABILITY FOR TAX UNDER CERTAIN CIRCUMSTANCES WHERE TRUCKS IS TRANSFERRED.—Under regulations

prescribed by the Secretary, the owner of a highway motor vehicle with respect to which the collection of the tax imposed by section 4481 is suspended under paragraph (1) shall not be liable for the tax imposed by section 4481 (and the new owner shall be liable for such tax) with respect to such vehicle if—

"(A) such vehicle is transferred to a new owner,

"(B) such suspension is in effect at the time of such transfer, and

"(C) the old owner furnishes such information as the Secretary by forms and regulations requires with respect to the transfer of such vehicle.

"(5) OWNER DEFINED.—For purposes of this subsection, the term 'owner' means, with respect to any highway motor vehicle, the person described in section 4481(b).".

(c) CLARIFICATION OF TRAILERS CUSTOMARILY USED IN CONNECTION WITH HIGHWAY MOTOR VEHICLES.—

(1) Subsection (c) of section 4482 is amended by adding at the end thereof the following new paragraph:

"(5) CUSTOMARY USE.—A semitrailer or trailer shall be treated as customarily used in connection with a highway motor vehicle if such vehicle is equipped to tow such semitrailer or trailer.".

(2) The heading for subsection (c) of section 4482 is amended by inserting "AND SPECIAL RULE" after "DEFINITIONS".

(d) PRORATION OF TAX WHERE VEHICLE DESTROYED.—Subsection (c) of section 4481 (relating to proration of tax) is amended to read as follows:

"(c) PRORATION OF TAX.—

"(1) WHERE FIRST USE OCCURS AFTER FIRST MONTH.—If in any taxable period the first use of the highway motor vehicle is after the first month in such period, the tax shall be reckoned proportionately from the first day of the month in which such use occurs to and including the last day in such taxable period.

"(2) WHERE VEHICLE DESTROYED OR STOLEN.—

"(A) IN GENERAL.—If in any taxable period a highway motor vehicle is destroyed or stolen before the first day of the last month in such period and not subsequently used during such taxable period, the tax shall be reckoned proportionately from the first day of the month in such period in which the first use of such highway motor vehicle occurs to and including the last day of the month in which such highway motor vehicle was destroyed or stolen.

"(B) DESTROYED.—For purposes of subparagraph (A), a highway motor vehicle is destroyed if such vehicle is damaged by reason of an accident or other casualty to such an extent that it is not economic to rebuild."

(e) SPECIAL RULE FOR TAXABLE PERIOD IN WHICH TERMINATION DATE OCCURS.—Section 4482 is amended by adding at the end thereof the following new subsection:

"(d) SPECIAL RULE FOR TAXABLE PERIOD IN WHICH TERMINATION DATE OCCURS.—In the case of the taxable period which ends on September 30, 1988, the amount of the tax imposed by section 4481 with respect to any highway motor vehicle shall be determined by reduc-

ing each dollar amount in the table contained in section 4481(a) by 75 percent."

(f) EFFECTIVE DATE—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on July 1, 1984.

(2) SPECIAL RULE IN THE CASE OF CERTAIN OWNER-OPERATORS.—

(A) IN GENERAL.—In the case of a small owner-operator, paragraph (1) of this subsection and paragraph (2) of section 4481(a) of the Internal Revenue Code of 1954 (as added by this section) shall be applied by substituting for each date contained in such paragraphs a date which is 1 year after the date so contained.

(B) SMALL OWNER-OPERATOR.—For purposes of this paragraph, the term "small owner-operator" means any person who owns and operates at any time during the taxable period no more than 5 highway motor vehicles with respect to which a tax is imposed by section 4481 of such Code for such taxable period.

(D) AGGREGATION OF VEHICLE OWNERSHIPS.—For purposes of subparagraph (B), all highway motor vehicles with respect to which a tax is imposed by section 4481 of such Code which are owned by—

(i) any trade or business (whether or not incorporated) which is under common control with the taxpayer (within the meaning of section 52(b)), or

(ii) any member of any controlled groups of corporations of which the taxpayer is a member, for any taxable period shall be treated as being owned by the taxpayer during such period. The Secretary shall prescribe regulations which provide attribution rules that take into account, in addition to the persons and entities described in the preceding sentence, taxpayers who own highway motor vehicles through partnerships, joint ventures, and corporations.

(E) CONTROLLED GROUPS OF CORPORATIONS.—For purposes of this paragraph, the term "controlled group of corporations" has the meaning given to such term by section 1563(a), except that—

(i) "more than 50 percent" shall be substituted for "at least 80 percent" each place it appears in section 1563(a)(1), and

(ii) the determination shall be made without regard to subsections (a)(4) and (e)(3)(C) of section 1563.

(F) HIGHWAY MOTOR VEHICLES.—For purposes of this paragraph, the term "highway motor vehicle" has the meaning given to such term by section 4482(a) of such Code.

(g) STUDY OF ALTERNATIVES TO TAX ON USE OF HEAVY TRUCKS.—

(1) IN GENERAL.—The Secretary of Transportation (in consultation with the Secretary of the Treasury) shall conduct a study of—

(A) alternatives to the tax on heavy vehicles imposed by section 4481(a) of the Internal Revenue Code of 1954, and

(B) plans for improving the collecting and enforcement of such tax and alternatives to such tax.

(2) ALTERNATIVES INCLUDED.—The alternatives studied under paragraph (1) shall include taxes based either singly or in suitable combinations on vehicle size or configuration; vehicle weight, both registered and actual operating weight; and distance traveled. Plans for improving tax collection and enforcement shall, to the extent practical, provide for Federal and State co-operation in such activities.

(3) CONSULTATION WITH STATE OFFICIALS AND OTHER AFFECTED PARTIES.—The study required under subsection (a) shall be conducted in consultation with State officials, motor carriers, and other affected parties.

(4) REPORT.—Not later than January 1, 1985, the Secretary of Transportation shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the study conducted under paragraph (1) together with such recommendations as he may deem advisable.

SEC. 514. TAXES ON HEAVY TRUCK TIRES.

(a) GENERAL RULE.—Subsection (a) of section 4071 (relating to imposition and rate of tax on tires and tubes) is amended to read as follows:

"(a) IMPOSITION AND RATE OF TAX.—There is hereby imposed on tires of the type used on highway vehicles, if wholly or in part made of rubber, sold by the manufacturer, producer, or importer a tax at the following rates:

"If the tire weighs:	*The rate of tax is:*
Not more than 40 lbs.	*No tax.*
More than 40 lbs. but not more than 70 lbs.	*15 cents per lb. in excess of 40 lbs.*
More than 70 lbs. but not more than 90 lbs.	*$4.50 plus 30 cents per lb. in excess of 70 lbs.*
More than 90 lbs.	*$10.50 plus 50 cents per lb. in excess of 90 lbs."*

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to articles sold on or after January 1, 1984.

SEC. 515. REPEAL OF TAX ON LUBRICATING OIL.

(a) GENERAL RULE.—Subpart B of part III of subchapter A of chapter 32 (relating to tax on lubricating oil) is hereby repealed.

(b) TECHNICAL AMENDMENTS.—

(1) Subsection (c) of section 4221 is amended by striking out "4083, or 4093" and inserting in lieu thereof "or 4083".

(2) Subsection (d) of section 4222 is amended by striking out "4093,".

(3)(A) Section 6206 is amended by striking out "4091 (with respect to payments under section 6424)," and by striking out "6424," each place it appears in the heading and the text.

(B) The table of sections for subchapter A of chapter 63 is amended by striking out "6424," in the item relating to section 6206.

(4) Paragraph (2) of section 6416(b) is amended—

(A) by striking out subparagraph (N),

(B) by striking out the next to the last sentence.

(C) by inserting "or" at the end of subparagraph (L), and

(D) by striking out "; or" at the end of subparagraph (M) and inserting in lieu thereof a period.

(5) Section 6424 (relating to lubricating oil used for certain nontaxable purposes) is hereby repealed.

(6)(A) Subsection (a) of section 39 is amended by striking out paragraph (3), by redesignating paragraph (4) as paragraph (3), and by inserting "and" at the end of paragraph (2).

(B) Subsection (b) of section 39 is amended—

(i) by striking out "section 6421, 6424, or 6427" and inserting in lieu thereof "section 6421 or 6427", and

(ii) by striking out "section 6421(i), 6424(f), or 6427(i)" and inserting in lieu thereof "section 6421(i) or 6427(i)".

(C) The heading for section 39 is amended by striking out ", SPECIAL FUELS, AND LUBRICATING OIL" and inserting in lieu thereof "AND SPECIAL FUELS".

(D) The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by striking out ", special fuels, and lubricating oil" in the item relating to section 39 and inserting in lieu thereof "and special fuels".

(E) Sections 874(a) and 6201(a)(4) are each amended by striking out ", special fuels, and lubricating oil" and inserting in lieu thereof "and special fuels".

(F) Paragraph (2) of section 882(c) is amended by striking out "and lubricating oil".

(7) Subparagraph (C) of section 6421(d)(2) is amended by striking out ", special motor fuels, and lubricating oil" and inserting in lieu thereof "and special motor fuels".

(8) Section 4101 is amended by striking out "or section 4091".

(9) Section 4102 is amended by striking out "or lubricating oils".

(10) Paragraph (9) of section 6504 is amended by striking out "6424 (relating to lubricating oil used for certain nontaxable purposes)," and by striking out "6424,".

(11)(A) Subsection (a) of section 6675 is amended by striking out "6424 (relating to lubricating oil used for certain nontaxable purposes),".

(B) Paragraph (1) of section 6675(b) is amended by striking out "6424,".

(C) The heading for section 6675 is amended by striking out "OR LUBRICATING OIL".

(D) The table of sections for subchapter B of chapter 68 is amended by striking out "or lubricating oil" in the item relating to section 6675.

(12) Sections 7210, 7603, 7604, 7605, 7609(c)(1), and 7610(c) are each amended by striking out "6424(d)(2)," each place it appears.

(13) The table of subparts for part III of subchapter A of chapter 32 is amended by striking out the item relating to subpart B.

(14) The table of sections for subchapter B of chapter 65 is amended by striking out the item relating to section 6424.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to articles sold after the date of the enactment of this Act.

SEC. 516. PERIOD TAXES AND EXEMPTIONS IN EFFECT.

(a) PERIOD TAXES IN EFFECT.—

(1) SPECIAL FUELS TAX.—

(A) Subsection (a) of section 4041 (as amended by this Act) is amended by adding at the end thereof the following new paragraph:

"(3) TERMINATION.—On and after October 1, 1988, the taxes imposed by this subsection shall not apply."

(B) Subsection (e) of section 4041 is hereby repealed.

(2) TIRES AND TREAD RUBBER.—Subsection (d) of section 4071 is amended to read as follows:

(d) TERMINATION.—On and after October 1, 1988, the taxes imposed by subsection (a) shall not apply."

(3) GASOLINE.—Subsection (b) of section 4081 is amended to read as follows:

"(b) TERMINATION.—On and after October 1 1988, the taxes imposed by this section shall not apply."

(4) HIGHWAY USE TAX.—Sections 4481(e) and 4482(c)(4) are each amended by striking out "1984" each place it appears and inserting in lieu thereof "1988".

(5) FLOOR STOCKS TAXES.—Paragraph (1) of section 6412(a) (relating to floor stocks refunds) is amended—

(A) by striking out "1985" each place it appears and inserting in lieu thereof "1989", and

(B) by striking out "1984" each place it appears and inserting in lieu thereof "1988".

(6) OTHER PROVISIONS.—Paragraph (2) of section 6156(e) (relating to installment payments of tax on use of highway motor vehicles) and subsection (h) of section 6421 (relating to tax on gasoline used for certain nonhighway purposes or by local transit systems) are each amended by striking out "1984" and inserting in lieu thereof "1988".

(b) TERMINATION OF EXEMPTIONS.—

(1)(A) Subsection (f) of section 4041 is amended by adding at the end thereof the following new paragraph:

"(3) TERMINATION.—On and after October 1, 1988, paragraph (1) shall not apply."

(B) Subsection (g) of section 4041 is amended by adding at the end thereof the following new sentence: "Paragraphs (2) and (4) shall not apply on and after October 1, 1988."

(2) Subsection (a) of section 4221 (relating to certain tax resales) is amended by adding at the end thereof the following new sentence: "In the case of taxes imposed by section 4051, 4071, or 4081, paragraphs (4) and (5) shall not apply on and after October 1, 1988."

(3) Section 4483 (relating to exemption for highway use tax) is amended by adding after subsection (d) thereof the following new subsection:

"(e) TERMINATION OF EXEMPTIONS.—Subsections (a) and (c) shall not apply on and after October 1, 1988."

(4) Section 6420 (relating to gasoline used on farms) is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) TERMINATION.—This section shall apply only with respect to gasoline purchased before October 1, 1988."

(5) Section 6427 is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

"(k) TERMINATION OF SUBSECTIONS (a), (b), (c), AND (d).—Subsections (a), (b), (c). and (d) shall only apply with respect to fuels purchased before October 1, 1988."

SEC. 517. TREATMENT OF CERTAIN MOTOR CARRIER OPERATING AUTHORITIES ACQUIRED BY TAXPAYERS OTHER THAN CORPORATIONS.

(a) GENERAL RULE.—Paragraph (2) of section 266(c) of the Economic Recovery Tax Act of 1981 (relating to stock acquisitions of motor carrier operating authorities) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) TREATMENT OF CERTAIN NONCORPORATE TAXPAYERS.—Under regulations prescribed by the Secretary of the Treasury or his delegate, and at the election of the holder of the authority, in any case in which—

"(i) a noncorporate taxpayer or group of noncorporate taxpayers on or before July 1, 1980, acquired in one purchase stock in a corporation which held, directly or indirectly, any motor carrier operating authority at the time of such acquisition, and

"(ii) the acquisition referred to in clause (i) would have satisfied the requirements of subparagraph (A) if the stock had been acquired by a corporation,

then, for purposes of subparagraphs (A) and (C), the noncorporate taxpayer or group of noncorporate taxpayers referred to in clause (i) shall be treated as a corporation. The preceding sentence shall apply only if such noncorporate taxpayer (or group of noncorporate taxpayers) on July 1, 1980, held stock constituting control (within the meaning of section 368(c) of the Internal Revenue Code of 1954) of the corporation holding (directly or indirectly) the motor carrier operating authority."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years ending after July 30, 1980.

SEC. 518. EXTENSION OF PAYMENT DUE DATE FOR CERTAIN FUEL TAXES.

(a) 14-DAY EXTENSION.—The Secretary shall prescribe regulations which permit any qualified person whose liability for tax under section 4081 of the Internal Revenue Code of 1954 is payable with respect to semi-monthly periods to pay such tax on or before the day which is 14 days after the close of such semi-monthly period if such payment is made by wire transfer to any government depository authorized under section 6302 of such Code.

(b) QUALIFIED PERSON DEFINED.—For purposes of this section—

(1) IN GENERAL.—The term "qualified person" means—

(A) any person other than any person whose average daily production of crude oil for the preceding calendar quarter exceeds 1,000 barrels, and

(B) any independent refiner (within the meaning of section 4995(b)(4) of such Code).

(2) AGGREGATION RULES.—For purposes of paragraph (1), in determining whether any person's production exceeds 1,000 barrels per day, rules similar to the rules of section 4992(e) of the Internal Revenue Code of 1954 shall apply.

(c) SPECIAL RULE WHERE 14TH DAY FALLS ON SATURDAY, SUNDAY, OR HOLIDAY.—If, but for this subsection, the due date under subsection (a) would fall on a Saturday, Sunday, or a holiday in the District of Columbia, such due date shall be deemed to be the immediately preceding day which is not a Saturday, Sunday, or such a holiday.

Subtitle C—Floor Stock Provisions

SEC. 521. FLOOR STOCKS TAXES.

(a) 1983 TAX ON GASOLINE.—On gasoline subject to tax under section 4081 which, on April 1, 1983, is held by a dealer for sale, there is hereby imposed a floor stocks tax at the rate of 5 cents a gallon.

(b) 1984 TAX ON TIRES.—On any article which would be subject to tax under section 4071(a) if sold by the manufacturer, producer, or importer on or after January 1, 1984, which on January 1, 1984, is held by a dealer and has not been used and is intended for sale, there shall be imposed a floor stocks tax equal to the excess of the amount of tax which would be imposed on such article if it were sold by the manufacturer, producer, or importer after January 1, 1984, over the amount of tax imposed under section 4071(a) on the sale of such article by the manufacturer, producer, or importer.

(c) OVERPAYMENT OF FLOOR STOCKS TAXES.—Section 6416 shall apply in respect of the floor stocks taxes imposed by this section, so as to entitle, subject to all provisions of section 6416, any person paying such floor stocks taxes to a credit or refund thereof for any of the reasons specified in section 6416.

(d) DUE DATE OF TAXES.—The taxes imposed by this section shall be paid at such time after—

(1) May 15, 1983, in the case of the tax imposed by subsection (a), or

(2) February 15, 1984, in the case of the tax imposed by subsection (b),

as may be prescribed by the Secretary of the Treasury or his delegate.

(e) TRANSFER OF FLOOR STOCKS TAXES TO HIGHWAY TRUST FUND.—For purposes of determining the amount transferred to the Highway Trust Fund for any period, the taxes imposed by this section shall be treated as if they were imposed by section 4081 or 4071 of the Internal Revenue Code of 1954, whichever is appropriate.

SEC. 522. FLOOR STOCKS REFUNDS.

(a) GENERAL RULE.—

(1) IN GENERAL.—Where, before the day after the date of the enactment of this Act, any tax-repealed article has been sold by the manufacturer, producer, or importer and on such day is held by a dealer and has not been used and is intended for sale, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer an amount equal to the tax

paid by such manufacturer, producer, or importer on his sale of the article if—

(A) claim for such credit or refund is filed with the Secretary of the Treasury or his delegate before October 1, 1983, based on a request submitted to the manufacturer, producer, or importer before July 1, 1983, by the dealer who held the article in respect of which the credit or refund is claimed, and

(B) on or before October 1, 1983, reimbursement has been made to the dealer by the manufacturer, producer, or importer in an amount equal to the tax paid on the article or written consent has been obtained from the dealer to allowance of the credit or refund.

(2) LIMITATION ON ELIGIBILITY FOR CREDIT OR REFUND.—No manufacturer, producer, or importer shall be entitled to credit or refund under paragraph (1) unless he has in his possession such evidence of the inventories with respect to which the credit or refund is claimed as may be required by regulations prescribed by the Secretary of the Treasury or his delegate under this subsection.

(3) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4061, 4071, or 4091 (whichever is appropriate) shall, insofar as applicable and not inconsistent with paragraphs (1) and (2) of this subsection, apply in respect of the credits and refunds provided for in paragraph (1) to the same extent as if the credits or refunds constituted overpayments of the tax.

(b) REFUNDS WITH RESPECT TO CERTAIN CONSUMER PURCHASES OF TRUCKS AND TRAILERS.—

(1) IN GENERAL.—Except as otherwise provided in paragraph (2), where after December 2, 1982, and before the day after the date of the enactment of this Act, a tax-repealed article on which tax was imposed by section 4061(a) has been sold to an ultimate purchaser, there shall be credited or refunded (without interest) to the manufacturer, producer, or importer of such article an amount equal to the tax paid by such manufacturer, producer, or importer on his sale of the article.

(2) LIMITATION OF ELIGIBILITY FOR CREDIT OR REFUND.—No manufacturer, producer, or importer shall be entitled to a credit or refund under paragraph (1) with respect to an article unless—

(A) he has in his possession such evidence of the sale of the article to an ultimate purchaser, and of the reimbursement of the tax to such purchaser, as may be required by regulations prescribed by the Secretary of the Treasury or his delegate under this subsection.

(B) claim for such credit or refund is filed with the Secretary of the Treasury or his delegate before October 1, 1983, based on information submitted to the manufacturer, producer, or importer before July 1, 1983, by the person who sold the article (in respect of which the credit or refund is claimed) to the ultimate purchaser, and

(C) on or before October 1, 1983, reimbursement has been made to the ultimate purchaser in an amount equal to the tax paid on the article.

(3) OTHER LAWS APPLICABLE.—All provisions of law, including penalties, applicable with respect to the taxes imposed by section 4061(a) shall, insofar as applicable and not inconsistent with paragraph (1) or (2) of this subsection, apply in respect of the credits and refunds provided for in paragraph (1) to the same extent as if the credits or refunds constituted overpayments of the tax.

(c) CERTAIN USES BY MANUFACTURER, ETC.—In the case of any article which was subject to the tax imposed by section 4061(a) (as in effect on the day before the date of the enactment of this Act), any tax paid by reason of section 4218(a) (relating to use by manufacturer or importer considered sale) with respect to a tax-repealed article shall be deemed to be an overpayment of such tax if tax was imposed on such article after December 2, 1982, by reason of section 4218(a).

(d) TRANSFER OF FLOOR STOCKS REFUNDS FROM HIGHWAY TRUST FUND.—The Secretary of the Treasury shall pay for time to time from the Highway Trust Fund into the general fund of the Treasury amounts equivalent to the floor stocks refunds made under this section.

SEC. 523. DEFINITIONS AND SPECIAL RULE.

(a) IN GENERAL.—For purposes of this subtitle—

(1) The term "dealer" includes a wholesaler, jobber, distributor, or retailer.

(2) An article shall be considered as "held by a dealer" if title thereto has passed to such dealer (whether or not delivery to him has been made) and if for purposes of consumption title to such article or possession thereof has not at any time been transferred to any person other than a dealer.

(3) The term "tax-repealed article" means any article on which a tax was imposed by section 4061(a), 4061(b), or section 4091 as in effect on the day before the date of the enactment of this Act, and which will not be subject to tax under section 4061(a), 4061(b), or 4091 as in effect on the day after the date of the enactment of this Act.

(4) Except as otherwise expressly provided herein, any reference in this subtitle to a section or other provision shall be treated as a reference to a section or other provision of the Internal Revenue Code of 1954.

(b) 1984 EXTENSION OF FLOOR STOCKS REFUND TO TIRES.—

(1) IN GENERAL.—In the case of an article on which a tax was imposed by section 4071(a) as in effect on December 31, 1983, and which will not be subject to tax under such section as in effect on January 1, 1984, such article shall be treated as a tax-repealed article for purposes of subsection (a) of section 522.

(2) ALLOWANCE OF REFUND.—In the case of a tax-repealed article to which paragraph (1) applies, subsection (a) of section 522 shall be applied—

(A) by treating January 1, 1984, as the day after the date of the enactment of this Act, and

(B) by substituting "1984" for "1983" each place it appears in paragraph (1) of such subsection (a).

Subtitle D—Highway Trust Fund; Mass Transit Account

SEC. 531. 4-YEAR EXTENSION OF HIGHWAY TRUST FUND; CODIFICATION OF TRUST FUND IN INTERNAL REVENUE CODE OF 1954; ESTABLISHMENT OF MASS TRANSIT ACCOUNT.

(a) GENERAL RULE.—Subchapter A of chapter 98 of the Internal Revenue Code of 1954 (relating to Trust Fund Code) is amended by adding at the end thereof the following new section:

"SEC. 9503. HIGHWAY TRUST FUND.

"(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Highway Trust Fund', consisting of such amounts as may be appropriated or credited to the Highway Trust Fund as provided in this section or section 9602(b).

"(b) TRANSFER TO HIGHWAY TRUST FUND OF AMOUNTS EQUIVALENT TO CERTAIN TAXES.—

"(1) IN GENERAL.—There are hereby appropriated to the Highway Trust Fund amounts equivalent to the taxes received in the Treasury before October 1, 1988, under the following provisions—

"(A) section 4041 (relating to taxes on diesel fuels and special motor fuels),

"(B) section 4051 (relating to retail tax on heavy trucks and trailers),

"(C) section 4061 (relating to tax on trucks and truck parts),

"(D) section 4071 (relating to tax on tires and tread rubber),

"(E) section 4081 (relating to tax on gasoline),

"(F) section 4091 (relating to tax on lubricating oil), and

"(G) section 4481 (relating to tax on use of certain vehicles).

"(2) LIABILITIES INCURRED BEFORE OCTOBER 1, 1988.—There are hereby appropriated to the Highway Trust Fund amounts equivalent to the taxes which are received in the Treasury after September 30, 1988, and before July 1, 1989, and which are attributable to liability for tax incurred before October 1, 1988, under the provisions described in paragraph (1).

"(3) ADJUSTMENTS FOR AVIATION USES.—The amounts described in paragraphs (1) and (2) with respect to any period shall (before the application of this subsection) be reduced by appropriate amounts to reflect any amounts transferred to the Airport and Airway Trust Fund under section 9502(b) with respect to such period.

"(c) EXPENDITURES FROM HIGHWAY TRUST FUND.—

"(1) FEDERAL-AID HIGHWAY PROGRAM.—Except as provided in subsection (e), amounts in the Highway Trust Fund shall be available, as provided by appropriation Acts, for making expenditures before October 1, 1988, to meet those obligations of the United States heretofore or hereafter incurred which are—

"(A) authorized by law to be paid out of the Highway Trust Fund established by section 209 of the Highway Revenue Act of 1956,

"(B) authorized to be paid out of the Highway Trust Fund under title I or II of the Surface Transportation Assistance Act of 1982, or

"(C) hereafter authorized by a law which does not authorize the expenditure out of the Highway Trust Fund of any amount for a general purpose not covered by subparagraph (A) or (B) as in effect on December 31, 1982.

"(2) TRANSFERS FROM HIGHWAY TRUST FUND FOR CERTAIN REPAYMENTS AND CREDITS.—

"(A) IN GENERAL.—The Secretary shall pay from time to time from the Highway Trust Fund into the general fund of the Treasury amounts equivalent to—

"(i) the amounts paid before July 1, 1989, under—

"(I) section 6420 (relating to amounts paid in respect of gasoline used on farms),

"(II) section 6421 (relating to amounts paid in respect of gasoline used for certain nonhighway purposes or by local transit systems),

"(III) section 6424 (relating to amounts paid in respect of lubricating oil used for certain nontaxable purposes), and

"(IV) section 6427 (relating to fuels not used for taxable purposes),

on the basis of claims filed for periods ending before October 1, 1988, and

"(ii) the credits allowed under section 39 (relating to credit for certain uses of gasoline, special fuels, and lubricating oil) with respect to gasoline, special fuels, and lubricating oil used before October 1, 1988.

"(B) TRANSFERS BASED ON ESTIMATES.—Transfers under subparagraph (A) shall be made on the basis of estimates by the Secretary, and proper adjustments shall be made in amounts subsequently transferred to the extent prior estimates were in excess or less than the amounts required to be transferred.

"(C) EXCEPTION FOR USE IN AIRCRAFT AND MOTORBOATS.—This paragraph shall not apply to amounts estimated by the Secretary as attributable to use of gasoline and special fuels in motorboats or in aircraft.

"(3) 1988 FLOOR STOCKS REFUNDS.—The Secretary shall pay from time to time from the Highway Trust Fund into the general fund of the Treasury amounts equivalent to the floor stocks refunds made before July 1, 1989, under section 6412(a).

"(4) TRANSFERS FROM THE TRUST FUND FOR MOTORBOAT FUEL TAXES.—

"(A) TRANSFER TO NATIONAL RECREATIONAL BOATING SAFETY AND FACILITIES IMPROVEMENT FUND.—

"(i) IN GENERAL.—The Secretary shall pay from time to time from the Highway Trust Fund into the National Recreational Boating Safety and Facilities Improvement Fund established by section 202 of the Recre-

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ational Boating Fund Act amounts (as determined by him) equivalent to the motorboat fuel taxes received on or after October 1, 1980, and before October 1, 1988.

"(ii) LIMITATIONS.—

"(I) LIMIT ON TRANSFERS DURING ANY FISCAL YEAR.—The aggregate amount transferred under this subparagraph during any fiscal year shall not exceed $45,000,000.

"(II) LIMIT ON AMOUNT IN FUND.—No amount shall be transferred under this subparagraph if the Secretary determines that such transfer would result in increasing the amount in the National Recreational Boating Safety and Facilities Improvement Fund to a sum in excess of $45,000,000.

"(B) EXCESS FUNDS TRANSFERRED TO LAND AND WATER CONSERVATION FUND.—Any amount received in the Highway Trust Fund which is attributable to motorboat fuel taxes and which is not transferred from the Highway Trust Fund under subparagraph (A) shall be transferred by the Secretary from the Highway Trust Fund into the land and water conservation fund provided for in title I of the Land and Water Conservation Fund Act of 1965.

"(C) MOTORBOAT FUEL TAXES.—For purposes of this paragraph, the term 'motorboat fuel taxes' means the taxes under section 4041(a)(2) with respect to special motor fuels used as fuel in motorboats and under section 4081 with respect to gasoline used as fuel in motorboats.

"(d) ADJUSTMENTS OF APPORTIONMENTS.—

"(1) ESTIMATES OF UNFUNDED HIGHWAY AUTHORIZATIONS AND NET HIGHWAY RECEIPTS.—The Secretary of the Treasury, not less frequently than once in each calendar quarter, after consultation with the Secretary of Transportation, shall estimate—

"(A) the amount which would (but for this subsection) be the unfunded highway authorizations at the close of the next fiscal year, and

"(B) the net highway receipts for the 24-month period beginning at the close of such fiscal year.

"(2) PROCEDURE WHERE THERE IS EXCESS UNFUNDED HIGHWAY AUTHORIZATIONS.—If the Secretary of the Treasury determines for any fiscal year that the amount described in paragraph (1)(A) exceeds the amount described in paragraph (1)(B)—

"(A) he shall so advise the Secretary of Transportation, and

"(B) he shall further advise the Secretary of Transportation as to the amount of such excess.

"(3) ADJUSTMENT OF APPORTIONMENTS WHERE UNFUNDED AUTHORIZATIONS EXCEED 2 YEARS' RECEIPTS.—

"(A) DETERMINATION OF PERCENTAGE.—If, before any apportionment to the States is made, in the most recent estimate made by the Secretary of the Treasury there is an excess referred to in paragraph (2)(B), the Secretary of Transportation shall determine the percentage which—

"(i) the excess referred to in paragraph (2)(B), is of

"(ii) the amount authorized to be appropriated from the Trust Fund for the fiscal year for apportionment to the States.

If, but for this sentence, the most recent estimate would be one which was made on a date which will be more than 3 months before the date of the apportionment, the Secretary of the Treasury shall make a new estimate under paragraph (1) for the appropriate fiscal year.

"(B) ADJUSTMENT OF APPORTIONMENTS.—If the Secretary of Transportation determines a percentage under subparagraph (A) for purposes of any apportionment, notwithstanding any other provision of law, the Secretary of Transportation shall apportion to the States (in lieu of the amount which, but for the provisions of this subsection, would be so apportioned) the amount obtained by reducing the amount authorized to be so apportioned by such percentage.

"(4) APPORTIONMENT OF AMOUNTS PREVIOUSLY WITHHELD FROM APPORTIONMENT.—If, after funds have been withheld from apportionment under paragraph (3)(B), the Secretary of the Treasury determines that the amount described in paragraph (1)(A) does not exceed the amount described in paragraph (1)(B) or that the excess described in paragraph (1)(B) is less than the amount previously determined, he shall so advise the Secretary of Transportation. The Secretary of Transportation shall apportion to the States such portion of the funds so withheld from apportionment as the Secretary of the Treasury has advised him may be so apportioned without causing the amount described in paragraph (1)(A) to exceed the amount described in paragraph (1)(B). Any funds apportioned pursuant to the preceding sentence shall remain available for the period for which they would be available if such apportionment took effect with the fiscal year in which they are apportioned pursuant to the preceding sentence.

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) UNFUNDED HIGHWAY AUTHORIZATIONS.—The term 'unfunded highway authorizations' means, at any time, the excess (if any) of—

"(i) the total potential unpaid commitments at such time as a result of the apportionment to the States of the amounts authorized to be appropriated from the Highway Trust Fund, over

"(ii) the amount available in the Highway Trust Fund at such time to defray such commitments (after all other unpaid commitments at such time which are payable from the Highway Trust Fund have been defrayed).

"(B) NET HIGHWAY RECEIPTS.—The term 'net highway receipts' means, with respect to any period, the excess of—

"(i) the receipts (including interest) of the Highway Trust Fund during such period, over

"(ii) the amounts to be transferred during such period from such Fund under subsection (c) (other than paragraph (1) thereof).

"(6) REPORTS.—Any estimate under paragraph (1) and any determination under paragraph (2) shall be reported by the Secretary of the Treasury to the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, the Committees on the Budget of both Houses, the Committee on Public Works and Transportation of the House of Representatives, and the Committee on Environment and Public Works of the Senate.

"(e) ESTABLISHMENT OF MASS TRANSIT ACCOUNT.—

"(1) CREATION OF ACCOUNT.—There is established in the Highway Trust Fund a separate account to be known as the 'Mass Transit Account' consisting of such amounts as may be transferred or credited to the Mass Transit Account as provided in this subsection or section 9602(b).

"(2) TRANSFERS TO MASS TRANSIT ACCOUNT.—The Secretary of the Treasury shall transfer to the Mass Transit Account one-ninth of the amounts appropriated to the Highway Trust Fund under subsection (b) which are attributable to taxes under sections 4041 and 4081 imposed after March 31, 1983.

"(3) EXPENDITURES FROM ACCOUNT.—Amounts in the Mass Transit Account shall be available, as provided by appropriation Acts, for making capital expenditures before October 1, 1988 (including capital expenditures for new projects), in accordance with section 21(a)(2) of the Urban Mass Transportation Act of 1964.

"(4) LIMITATION.—Rules similar to the rules of subsection (d) shall apply to the Mass Transit Account except that subsection (d)(1) shall be applied by substituting '12-month' for '24-month'."

(b) REPEAL OF SECTION 209 OF THE HIGHWAY REVENUE ACT OF 1956.—Section 209 of the Highway Revenue Act of 1956 (other than subsection (b) thereof) is hereby repealed.

(c) CONFORMING AMENDMENTS TO LAND AND WATER CONSERVATION FUND.—Subsection (b) of section 201 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-11) is amended—

(1) by striking out "1985" each place it appears and inserting in lieu thereof "1989"; and

(2) by striking out "1984" and inserting in lieu thereof "1988".

(d) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end thereof the following new item:

"Sec. 9503. Highway Trust Fund."

(e) EFFECTIVE DATE; SAVING PROVISION.—

(1) IN GENERAL.—The amendments made by this section shall take effect on January 1, 1983.

(2) NEW HIGHWAY TRUST FUND TREATED AS CONTINUATION OF OLD.—The Highway Trust Fund established by the amendments made by this section shall be treated for all purposes of law as the continuation of the Highway Trust Fund established by section 209 of the Highway Revenue Act of 1956. Any reference in any law to the Highway Trust Fund established by such section 209 shall be deemed to include (wherever appropriate) a refer-

ence to the Highway Trust Fund established by the amendments made by this section.

Subtitle E—Miscellaneous Provisions

SEC. 541. TAX TREATMENT OF PUBLIC UTILITY PROPERTY.

(a) NORMALIZATION METHOD FOR PURPOSES OF DEPRECIATION.—

(1) IN GENERAL.—Paragraph (3) of section 168(e) (relating to special rule for certain public utility property) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

"(C) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS, ETC.—

"(i) IN GENERAL.—One way in which the requirements of subparagraph (B) are not met is if the taxpayer, for ratemaking purposes, uses a procedure or adjustment which is inconsistent with the requirements of subparagraph (B).

"(ii) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS.—The procedures and adjustments which are to be treated as inconsistent for purposes of clause (i) shall include any procedure or adjustment for ratemaking purposes which uses an estimate or projection of the taxpayer's tax expense, depreciation expense, or reserve for deferred taxes under subparagraph (B)(ii) unless such estimate or projection is also used, for ratemaking purposes, with respect to the other 2 such items and with respect to the rate base.

"(iii) REGULATORY AUTHORITY.—The Secretary may by regulations prescribe procedures and adjustments (in addition to those specified in clause (ii)) which are to be treated as inconsistent for purposes of clause (i).".

(2) AMENDMENT TO SECTION 167(l).—Subparagraph (G) of section 167(l)(3) (defining normalization method of accounting) is amended by adding at the end thereof the following new sentence: "For purposes of this subparagraph, rules similar to the rules of section 168(e)(3)(C) shall apply."

(b) COMPUTATIONS FOR PURPOSES OF INVESTMENT CREDIT.—Subsection (f) of section 46 (relating to limitation in case of certain regulated companies) is amended by adding at the end thereof the following new paragraph:

"(10) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS, ETC., FOR PURPOSES OF PARAGRAPHS (1) AND (2).—

"(A) IN GENERAL.—One way in which the requirements of paragraph (1) or (2) are not met is if the taxpayer, for ratemaking purposes, uses a procedure or adjustment which is inconsistent with the requirements of paragraph (1) or paragraph (2), as the case may be.

"(B) USE OF INCONSISTENT ESTIMATES AND PROJECTIONS.—The procedures and adjustments which are to be treated as inconsistent for purposes of subparagraph (A) shall include any procedure or adjustment for ratemaking purposes which uses an estimate or projection of the taxpayer's qualified investment for purposes of the credit al-

lowable by section 38 unless such estimate or projection is consistent with the estimates and projections of property which are used, for ratemaking purposes, with respect to the taxpayer's depreciation expense and rate base.

"(C) REGULATORY AUTHORITY.—The Secretary may by regulations prescribe procedures and adjustments (in addition to those specified in subparagraph (B)) which are to be treated as inconsistent for purposes of subparagraph (A)."

(c) EFFECTIVE DATES.—

(1) GENERAL RULE.—The amendments made by subsections (a) and (b) shall apply to taxable years beginning after December 31, 1979.

(2) SPECIAL RULE FOR PERIODS BEGINNING BEFORE MARCH 1980.—

(A) IN GENERAL.—Subject to the provisions of paragraphs (3) and (4), notwithstanding the provisions of sections 167(l) and 46(f) of the Internal Revenue Code of 1954 and of any regulations prescribed by the Secretary of the Treasury (or his delegate) under such sections, the use for ratemaking purposes or for reflecting operating results in the taxpayer's regulated books of account, for any period before March 1, 1980, of—

(i) any estimates or projections relating to the amounts of the taxpayer's tax expense, depreciation expense, deferred tax reserve, credit allowable under section 38 of such code, or rate base, or

(ii) any adjustments to the taxpayer's rate of return.

shall not be treated as inconsistent with the requirements of subparagraph (G) of such section 167(l)(3) nor inconsistent with the requirements of paragraph (1) or (2) of such section 46(f), where such estimates or projections, or such rate of return adjustments, were included in a qualified order.

(B) QUALIFIED ORDER DEFINED.—For purposes of this subsection, the term "qualified order" means an order—

(i) by a public utility commission which was entered before March 13, 1980,

(ii) which used the estimates, projections, or rate of return adjustments referred to in subparagraph (A) to determine the amount of the rates to be collected by the taxpayer or the amount of a refund with respect to rates previously collected, and

(iii) which ordered such rates to be collected or refunds to be made (whether or not such order actually was implemented or enforced).

(3) LIMITATIONS ON APPLICATION OF PARAGRAPH (2).—

(A) PARAGRAPH (2) NOT TO APPLY TO AMOUNTS ACTUALLY FLOWED THROUGH.—Paragraph (2) shall not apply to the amount of any—

(i) rate reduction, or

(ii) refund,

which was actually made pursuant to a qualified order.

(B) TAXPAYER MUST ENTER INTO CLOSING AGREEMENT BEFORE PARAGRAPH (2) APPLIES.—Paragraph (2) shall not apply to any taxpayer unless, before the later of—

(i) July 1, 1983, or

(ii) 6 months after the refunds or rate reductions are actually made pursuant to a qualified order;

the taxpayer enters into a closing agreement (within the meaning of section 7121 of the Internal Revenue Code of 1954) which provides for the payment by the taxpayer of the amount of which paragraph (2) does not apply by reason of subparagraph (A).

(4) SPECIAL RULES RELATING TO PAYMENT OF REFUNDS OR INTEREST BY THE UNITED STATES OR THE TAXPAYER.—

(A) REFUNDS DEFINED.—For purposes of this subsection, the term "refund" shall include any credit allowed by the taxpayer under a qualified order but shall not include interest payable with respect to any refund (or credit) under such order.

(B) NO INTEREST PAYABLE BY UNITED STATES.—No interest shall be payable under section 6611 of the Internal Revenue Code of 1954 on any overpayment of tax which is attributable to the application of paragraph (2).

(C) PAYMENTS MAY BE MADE IN TWO EQUAL INSTALLMENTS.—

(i) IN GENERAL.—The taxpayer may make any payment required by reason of paragraph (3) in 2 equal installments, the first installment being due on the last date on which a taxpayer may enter into a closing agreement under paragraph (3)(B), and the second payment being due 1 year after the last date for the first payment.

(ii) INTEREST PAYMENTS.—For purposes of section 6601 of such Code, the last date prescribed for payment with respect to any payment required by reason of paragraph (3) shall be the last date on which such payment is due under clause (i).

(5) NO INFERENCE.—The application of subparagraph (G) of section 167(l)(3) of the Internal Revenue Code of 1954, and the application of paragraphs (1) and (2) of section 46(f) of such Code, to taxable years beginning before January 1, 1980, shall be determined without any inference drawn from the amendments made by subsections (a) and (b) of this section or from the rules contained in paragraphs (2), (3), and (4). Nothing in the preceding sentence shall be construed to limit the relief provided by paragraphs (2), (3), and (4).

SEC. 542. NO RETURN REQUIRED OF INDIVIDUAL WHOSE ONLY GROSS INCOME IS GRANT OF $1,000 FROM STATE.

(a) IN GENERAL.—Nothing in section 6012(a) of the Internal Revenue Code of 1954 shall be construed to require the filing of a return with respect to income taxes under subtitle A of such code by an individual whose only gross income for the taxable year is a grant of $1,000 received from a State which made such grants generally to residents of such State.

(b) EFFECTIVE DATE.—Subsection (a) shall apply to taxable years beginning after December 31, 1981.

SEC. 543. DEDUCTION FOR CONVENTIONS ON CRUISE SHIPS.

(a) IN GENERAL.—Subsection (h) of section 274 (relating to disallowance of certain entertainment, etc., expenses) is amended—

(1) by striking out the period at the end of paragraph (2) and inserting in lieu thereof a comma and the following: "unless the taxpayer meets the requirements of paragraph (5) and establishes that the meeting is directly related to the active conduct of his trade or business or to an activity described in section 212 and that—

"(A) the cruise ship is a vessel registered in the United States; and

"(B) all ports of call of such cruise ship are located in the United States or in possessions of the United States.

With respect to cruises beginning in any calendar year, not more than $2,000 of the expenses attributable to an individual attending one or more meetings may be taken into account under section 162 or 212 by reason of the preceding sentence.", and

(2) by adding at the end thereof the following new paragraph:

"(5) REPORTING REQUIREMENTS.—No deduction shall be allowed under section 162 or 212 for expenses allocable to attendance at a convention, seminar, or similar meeting on any cruise ship unless the taxpayer claiming the deduction attaches to the return of tax on which the deduction is claimed—

"(A) a written statement signed by the individual attending the meeting which includes—

"(i) information with respect to the total days of the trip, excluding the days of transportation to and from the cruise ship port, and the number of hours of each day of the trip which such individual devoted to scheduled business activities,

"(ii) a program of the scheduled business activities of the meeting, and

"(iii) such other information as may be required in regulations prescribed by the Secretary; and

"(B) a written statement signed by an officer of the organization or group sponsoring the meeting which includes—

"(i) a schedule of the business activities of each day of the meeting,

"(ii) the number of hours which the individual attending the meeting attended such scheduled business activities, and

"(iii) such other information as may be required in regulations prescribed by the Secretary."

(b) The amendments made by this section shall apply to taxable years beginning after December 31, 1982.

SEC. 544. ADDITIONAL WEEKS OF FEDERAL SUPPLEMENTAL COMPENSATION.

(a) Section 602(e) of the Tax Equity and Fiscal Responsibility Act of 1982 is amended—

(1) in paragraph (2)(A)(i), by striking out "50" and inserting in lieu thereof "65";

(2) in paragraph (2)(A)(ii), by striking out "6" and inserting in lieu thereof "8"; and

(3) by striking out subparagraphs (B) and (C) of paragraph (2) and inserting in lieu thereof the following:

"(B) In the case of any State, subparagraph (A) shall be applied—

"(i) with respect to weeks during a higher unemployment period, by substituting '16' and '8' in clause (ii) thereof;

"(ii) with respect to weeks which are not during a higher unemployment period and which are weeks beginning on or after the first week of an extended benefit period (which was in effect under the Federal-State Extended Unemployment Compensation Act of 1970 for any week beginning on or after June 1, 1982, on or before the date of the enactment of the Highway Revenue Act of 1982, and before the week for which the compensation is paid), by substituting '14' for '8' in clause (ii) thereof;

"(iii) with respect to weeks during a high unemployment period, or which would be weeks described in clause (ii) except that the extended benefit period began after the date of enactment of the Highway Revenue Act of 1982, by substituting '12' for '8' in clause (ii) thereof; and

"(iv) with respect to weeks during an intermediate unemployment period, by substituting '10' for '8'.

"(C) For purposes of subparagraph (B), the term 'higher unemployment period' means, with respect to any State, the period—

"(i) which begins with the third week after the first week in which the rate of insured unemployment in the State for the period consisting of such week and the immediately preceding 12 weeks equals or exceeds 6.0 percent, and

"(ii) which ends with the third week after the first week in which the rate of insured unemployment in the State for the period consisting of such week and the immediately preceding 12 weeks is less than 6.0 percent;

except that no higher unemployment period shall last for a period of less than 4 weeks.

"(D) For purposes of subparagraph (B), the term 'high unemployment period' means, with respect to any State, the period—

"(i) which begins with the third week after the first week in which the rate of insured unemployment in the State for the period consisting of such week and the immediately preceding 12 weeks equals or exceeds 4.5 percent but is less than 6.0 percent, and

"(ii) which ends with the third week after the first week in which the rate of insured unemployment in the State for the period consisting of such week and the immediately preceding 12 weeks is less than 4.5 percent or equals or exceeds 6.0 percent;

except that no high unemployment period shall last for a period of less than 4 weeks unless such State enters a higher unemployment period or a period described in subparagraph (B)(ii).

"(E) For purposes of subparagraph (B), the term 'intermediate unemployment period' means with respect to any State, the period—

"(i) which begins with the third week after the first week in which the rate of insured unemployment in the State for the

period consisting of such week and the immediately preceding 12 weeks equals or exceeds 3.5 percent but is less than 4.5 percent, and

"(ii) which ends with the third week after the first week in which the rate of insured unemployment in the State for the period consisting of such week and the immediately preceding 12 weeks is less than 3.5 percent or equals or exeeds 4.5 percent;

except that no intermediate unemployment period shall last for a period of less that 4 weeks unless such State enters a high unemployment period, a higher unemployment period, or a period described in subparagraph (B)(ii) or (iii).

"(F) For purposes of this subsection, the rate of insured unemployment for any period shall be determined in the same manner as determined for purposes of section 203 of the Federal-State Extended Unemployment Compensation Act of 1970.

"(3) The amount of Federal supplemental compensation payable to an eligible individual shall not exceed the amount in such individual's account established under this subsection."

(b) The amendments made by subsection (a) shall apply to Federal supplemental compensation payable for weeks beginning on or after the date of the enactment of this Act. In the case of any eligible individual to whom any Federal supplemental compensation was payable for any week beginning prior to such date of enactment and who exhausted his rights to such compensation (by reason of the payment of all the amount in his Federal supplemental compensation account) prior to the first week beginning on or after such date of enactment, such individual's eligibility for additional weeks of compensation by reason of the amendments made by this section shall not be limited or terminated by reason of any event, or failure to meet any requirement of law relating to eligibility for unemployment compensation, occurring after the date of such exhaustion of rights and prior to the date of the enactment of this Act (and such weeks shall not be counted for purposes of determining the expiration of the two years following the end of his benefits year for purposes of section 602(b) of the Tax Equity and Fiscal Responsibility Act of 1982).

(c) The Secretary of Labor shall, at the earliest practicable date after the date of the enactment of this Act, propose to each State with which he has in effect an agreement under section 602 of the Tax Equity and Fiscal Responsibility Act of 1982 a modification of such agreement designed to provide for the payment of Federal supplemental compensation under such Act in accordance with the amendments made by this Act. Notwithstanding any other provision of law, if any State fails or refuses, within the three-week period beginning on the date the Secretary of Labor proposes such a modification to such State, to enter into such a modification of such agreement, the Secretary of Labor shall terminate such agreement effective with the end of the last week which ends on or before such three-week period.

(d) Paragraph (3) of section 602(d) of the Tax Equity and Fiscal Responsibility Act of 1982 (as added by section 310 of the Technical Corrections Act of 1982) is amended by striking out "the number '6',

'8', or '10', whichever is applicable" and inserting in lieu thereof "the number applicable".

SEC. 545. EXCLUSION OF CERTAIN HOME ENERGY ASSISTANCE FROM INCOME UNDER SSI AND AFDC.

(a) Section 1612(b) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (11);

(2) by striking out the period at the end of paragraph (12) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(13) any assistance received to assist in meeting the costs of home energy, including both heating and cooling, which (as determined under regulations of the Secretary by such State agency as the chief executive officer of the State may designate) (A) is based on need for such assistance, and (B) is (i) assistance furnished in kind by a private nonprofit agency, or (ii) assistance furnished by a supplier of home heating oil or gas, by an entity providing home energy whose revenues are primarily derived on a rate-of-return basis regulated by a State or Federal governmental entity, or by a municipal utility providing home energy."

(b) Section 402(a) of such Act is amended—

(1) by striking out "and" at the end of paragraph (34);

(2) by striking out the period at the end of paragraph (35) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(36) provide, at the option of the State, that in making the determination for any month under paragraph (7) the State agency shall not include as income any assistance received to assist in meeting the costs of home energy, including both heating and cooling, which (as determined under regulations of the Secretary by such State agency as the chief executive officer of the State may designate) (A) is based on need for such assistance, and (B) is (i) assistance furnished in kind by a private nonprofit agency, or (ii) assistance furnished by a supplier of home heating oil or gas, by an entity whose revenues are primarily derived on a rate-of-return basis regulated by a State or Federal governmental entity, or by a municipal utility providing home energy.".

(c) The amendments made by subsections (a) and (b) shall be effective with respect to home energy assistance received in months beginning on or after the date of the enactment of this Act and prior to July 1, 1985.

(d) The Secretary of Health and Human Services shall submit a report to the Congress, prior to April 1, 1985, on the implementation and results of the provisions of sections 1612(b)(13) and 402(a)(36) of the Social Security Act, including any recommendations with respect to whether such provisions should be extended in the same or modified form or allowed to expire.

SEC. 546. MODIFICATIONS TO CHLOR-ALKALI ELECTROLYTIC CELLS.

(a) Paragraph (5) of section 48(l) (defining specially defined energy property) is amended—

(1) by striking out "or" at the end of subparagraph (L),

(2) by redesignating subparagraph (M) as subparagraph (N) and by inserting after subparagraph (L) the following new subparagraph:

"(M) modifications to chlor-alkali electrolytic cells, or"; and

(3) by striking out "(M)" in the second sentence and inserting in lieu thereof "(N)".

(b) The table contained in clause (i) of section 46(a)(2)(C) (relating to amount of credit) is amended by adding at the end thereof the following new subsection:

"VII. Chlor-Alkali Electrolytic Cells—Property described in section 48(l)(5)(M)	10 percent	Jan. 1, 1980.	Dec. 31, 1982."

SEC. 547. INTEREST EXEMPT OTHER THAN UNDER THE INTERNAL REVENUE CODE OF 1954.

(a) IN GENERAL.—Section 153 (relating to interest on certain governmental obligations) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

"(m) OBLIGATIONS EXEMPT OTHER THAN UNDER THIS TITLE.—

"(1) PRIOR EXEMPTIONS.—For purposes of this title, notwithstanding any provisions of this section or section 103A any obligation the interest on which is exempt from taxation under this title under any provision of law which is in effect on the date of the enactment of this subsection (other than a provision of this title) shall be treated as an obligation described in subsection (a).

"(2) NO OTHER INTEREST TO BE EXEMPT EXCEPT AS PROVIDED BY THIS TITLE.—Notwithstanding any other provision of law, no interest on any obligation shall be exempt from taxation under this title unless such interest—

"(A) is on an obligation described in paragraph (1), or

"(B) is exempt from taxation under any provision of this title.".

(b) CONFORMING AMENDMENTS.—

(1) Section 851(b) (relating to definition of regulated investment company) is amended by striking out "103(a)(1)" and inserting in lieu thereof "103(a)".

(2) Section 852 (relating to taxation of regulated investment companies and their shareholders) is amended by striking out "103(a)(1)" each place it appears and inserting in lieu thereof "103(a)".

(3) Section 3454(a)(2)(B) (relating to definitions of interest, dividend, and patronage dividends) is amended by striking out "law" and inserting in lieu thereof "this title".

(4) Section 6049(b)(2)(B) (relating to returns regarding payments of interest) is amended by striking out "law" and inserting in lieu thereof "this title".

(5) Section 6362(b)(4)(A) (relating to qualified State individual income taxes) is amended by striking out "103(a)(1)" and inserting in lieu thereof "103(a)".

And the Senate agree to the same.

DAN ROSTENKOWSKI,
SAM M. GIBBONS,
J. J. PICKLE,

CHARLES B. RANGEL,
W. M. BRODHEAD,
BARBER CONABLE,
JOHN J. DUNCAN,
BILL ARCHER,
JAMES J. HOWARD,
GLENN M. ANDERSON,
NORMAN Y. MINETA,
ELLIOTT H. LEVITAS,
JOHN BREAUX,
DON CLAUSEN,
GENE SNYDER,
BUD SHUSTER,
Managers on the Part of the House.

BOB DOLE,
BOB PACKWOOD,
BILL ROTH,
DAVE DURENBERGER,
RUSSELL LONG,
HARRY BYRD, Jr.,
SPARK MATSUNAGA,
For title II:
ROBERT T. STAFFORD,
JOHN H. CHAFEE,
JAMES ABDNOR,
LLOYD BENTSEN,
JENNINGS RANDOLPH,
For title III:
JOHN TOWER,
RICHARD G. LUGAR,
DON RIEGLE,
For title IV:
BOB PACKWOOD,
J. C. DANFORTH,
HOWARD CANNON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 6211) to authorize appropriations for construction of certain highways in accordance with title 23, United States Code, for highway safety, for mass transportation in urban and rural areas, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SHORT TITLE OF BILL

House bill

Provides that the Act may be cited as the "Surface Transportation Assistance Act of 1982".

Senate amendment

Provides that the Act may be cited as the "Surface Transportation Act of 1982".

SHORT TITLE OF TITLE I

House bill

Provides that the first title may be cited as the "Highway Improvement Act of 1982".

Senate amendment

Provides that the title may be cited as the "Federal-Aid Highway Improvement Act of 1982".

REVISION OF AUTHORIZATION FOR APPROPRIATIONS FOR THE INTERSTATE SYSTEM

House bill

Revises authorizations for interstate construction for each of the fiscal years 1984 through 1990 to $4,000,000,000 per fiscal year.

Senate amendment

Authorizes $3.625 billion for fiscal year 1984, $3.8 billion for fiscal years 1985 and 1986, and $4.0 billion for each of fiscal years 1987 through 1990 for the Interstate Highway System construction program.

APPROVAL OF INTERSTATE COST ESTIMATE

House bill

Approves the use of the apportionment factors contained in revised table 5 of the Committee Print numbered 97–53 of the House Committee on Public Works and Transportation to apportion the Interstate construction funds for fiscal year 1984 and provides that for such fiscal year no State shall be apportioned for Interstate construction less than ½ of 1 per centum of the amount authorized for such State immediately before the date of enactment. In addition if any State's apportionment exceeds the established cost of completing that State's portion of the Interstate System and the 4R program in such State, such excess amount shall be available for expenditure on the Federal-aid primary, secondary, and urban systems.

Senate amendment

No comparable provision.

OBLIGATION CEILING

House bill

Provides a limitation of $12.2 billion for fiscal year 1983, $12.7 billion for fiscal year 1984, $13.5 billion for fiscal year 1985, and $14.4 billion for fiscal year 1986 on obligations for Federal-aid highways and highway safety construction programs, excluding obligations for emergency relief, for the U.S. Grant Bridge and the East Huntington Bridge in Ohio and West Virginia, and for the Woodrow Wilson Bridge located in the District of Columbia, Maryland, and Virginia.

Specifies a formula to distribute available obligational authority in fiscal years 1983, 1984, 1985, and 1986, based upon funds apportioned by legislative or administrative formula and upon funds allocated without a formula.

Provides that, during fiscal years 1983, 1984, 1985, and 1986, no State may obligate more than 35 percent of its annual obligational authority allocation during the first quarter of the fiscal year for which the authority was allocated. No more than 25 percent of the total amount allocated to all the States may be obligated during the first quarter of the fiscal year for which the authority was allocated.

Provides that sufficient authority be provided by the Secretary to all States to prevent lapse of funds except to the extent States indicate an intention to lapse Interstate construction funds. After August 1 of each of the fiscal years 1983 through 1986, obligational authority shall be withdrawn from any State not able to obligate its share and redistributed to States which are able to obligate, with priority given to States having large balances of unobligated

apportioned funds. The Secretary shall not allocate amounts authorized for administrative expenses and forest highways.

Conforms the Omnibus Budget Reconciliation Act of 1981 to the provisions of this section.

Senate amendment

Establishes an obligation limitation of $12 billion for fiscal year 1983, $12.8 billion for fiscal year 1984, $13.6 billion for fiscal year 1985, $14.5 billion for fiscal year 1986, and $14.9 billion for fiscal year 1987, excluding emergency relief projects, rehabilitation of a federally-owned bridge, and a highway construction project at Union Station. The obligational authority for each year would be allocated to the States in the same ratio in which sums to be appropriated to the States for Federal-aid highways and highway safety construction are apportioned or allocated. Collectively, the States can obligate no more than 25 percent during the first quarter of fiscal year 1983.

In revising the redistribution each year, the Secretary shall give priority to those States which have experienced substantial proportional reductions in their apportionments and allocations because of statutory changes under this Act and under P.L 97-134.

AUTHORIZATIONS

House bill

Provides authorizations for each of the fiscal years 1983 through 1986 to carry out the provisions of title 23, United States Code, as follows:

(1)(A) For the Federal-aid primary system, out of the Highway Trust Fund, $2,000,000,000 reduced by the amount authorized for such system by the Federal-Aid Highway Act of 1982 for fiscal year 1983, $2.1 billion for fiscal year 1984, $2.2 billion for fiscal year 1985, and $2.5 billion for fiscal year 1986.

(B) For the Federal-aid secondary system, out of the Highway Trust Fund, $600,000,000 reduced by the amount authorized for such system under the Federal-Aid Highway Act of 1982 for fiscal year 1983 and $600,000,000 per fiscal year for fiscal years 1984 through 1986.

(2) For the Federal-aid urban system, out of the Highway Trust Fund $800,000,000 per fiscal year for fiscal years 1983 through 1986, except that the authorization for fiscal year 1983 is reduced by amounts authorized for such systems under the Federal-Aid Highway Act of 1982.

(3) For Indian reservation roads and bridges, $83,000,000 per fiscal year for fiscal years 1983 through 1986.

(4) For the Virgin Islands, such sums as may be necessary to continue the presence and operation of the territorial representatives of the FHA in the Virgin Islands.

(5) For the Commonwealth of the Northern Mariana Islands, $1,000,000 per fiscal year for fiscal years 1983 through 1986.

(6) For the forest highways, out of the Highway Trust Fund, $33,000,000 per fiscal year for fiscal years 1983 through 1986, except for the reduction of amounts authorized by the Federal-Aid Highway Act of 1982 for such highways.

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(7) For public lands highways, out of the Highway Trust Fund, $16,000,000 per fiscal year for fiscal years 1983 through 1986, except for the reduction of amounts authorized by the Federal-Aid Highway Act of 1982 for such highways.

Repeals of section 151 of the Federal-Aid Highway Act of 1978 which provides connector primary demonstration projects to upgrade roads on the primary system between Las Cruces, New Mexico, and Amarillo, Texas, and between Lubbock, Texas and Interstate route 10.

Provides that in fiscal years 1983 and 1984 each State with funds available for obligation on the primary system in excess of the amount apportioned to such State for fiscal year 1982 shall give priority consideration to those priority primary routes designated in Committee Print 97-61 of the House Committee on Public Works and Transportation.

Provides that in fiscal years 1983 and 1984 each State with funds available for obligation on the primary, secondary, or urban systems in excess of the amount of primary, secondary, and urban funds respectively apportioned to such State for fiscal year 1982 shall give priority consideration to railroad-in-highway crossings demonstrations authorized by section 163 of the Federal-Aid Highway Act of 1973 on such respective system.

Provides that not less than 10 percent of amounts authorized to be appropriated under the bill shall be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals.

Senate amendment

Authorizes the appropriation, out of the Highway Trust Fund, of the following sums for fiscal years 1983, 1984, 1985, 1986, and 1987.

For the Federal-aid primary program, $1.7 billion for fiscal year 1983, $2.1 billion for fiscal year 1984, $2.4 billion for each of fiscal years 1985 and 1986, and $2.6 billion for fiscal year 1987; for the Federal-aid rural program, $0.7 billion for each of fiscal years 1983 through 1987; for the Federal-aid urban program, $0.8 billion for each of fiscal years 1983 through 1987; for forest highways, $50 million for each of fiscal years 1983 through 1987; for public lands highways, $50 million for each of fiscal years 1983 through 1987; for parkways and park highways, $75 million for fiscal year 1983 and $100 million for each of fiscal years 1984 through 1987; for Indian Reservation roads, $75 million for fiscal year 1983 and $100 million for each of fiscal years 1984 through 1987; for bridge replacement and rehabilitation (23 U.S.C. 144), $1.7 million for each of fiscal years 1983 and 1984, and $1.8 billion for fiscal year 1985, and $2.0 billion for each of fiscal years 1986 and 1987; and for the highway safety improvement program, $0.4 billion for each of fiscal years 1983 through 1987.

Subsection (b) rescinds the unapportioned or unallocated balance of sums authorized by sections 4 and 5 of the Federal-Aid Highway Act of 1982.

Subsection (c)(1) provides a minimum apportionment of one-half of one percent of Interstate construction funds to each State, including Alaska. Whenever this amount exceeds a State's need for Interstate construction and Interstate resurfacing, restoration, re-

habilitation, and reconstruction, the State may transfer the excess amount of the Primary System, the Rural Program, or the Urban Program.

Subsection (d) requires that 60 percent of the funds expended by the States on the primary system and on the urban and rural program must be for resurfacing, restoring, rehabilitating and reconstructing roads including upgrading of existing facilities. If these sums are in excess of the States resurfacing, restoring, rehabilitation and reconstruction needs on existing facilities, the State may so certify to the Secretary.

INTERSTATE RESURFACING

House bill

Revises the authorization for Interstate resurfacing (Interstate 4R) from $800 million to $2.1 billion for the fiscal year 1984 and provides new authorizations for Interstate 4R of $2.4 billion for the fiscal year 1985, $2.8 billion for the fiscal year 1986, and $3.1 billion for the fiscal year 1987.

Senate amendment

Provides authorizations for Interstate resurfacing, restoring, rehabilitation and reconstructing (4R), out of the Highway Trust Fund, of $1.8 billion for fiscal year 1984, $2.4 billion for fiscal year 1985, $2.8 billion for fiscal year 1986, $3.2 billion for fiscal year 1987, and $3.4 billion for fiscal year 1988. The requirement that Interstate 4R funds be used only on lanes in use for more than five years is discontinued. The transfer of 4R funds to primary apportionments is permitted when the 4R funds are excess to resurfacing and reconstruction needs.

INTERSTATE TRANSFERS

House bill

Strikes the eighth sentence of 23 U.S.C. 103(e)(4), which provides that "there are authorized to be appropriated for liquidation of the obligations incurred under this paragraph such sums as may be necessary out of the general fund of the treasury." For FY 1983, $257 million is made available out of the Highway Trust Fund for substitute highway projects approved at the discretion of the Secretary. Additional provisions would be inserted in lieu of the eighth sentence which would make available $775 million per fiscal year for each of the fiscal years 1984, 1985, and 1986 out of the Highway Trust Fund (HTF) for substitute highway projects. The availability of HTF financing would restore contract authority to substitute highway projects. Twenty-five percent of the funds available in a fiscal year for substitute highway projects would be allocated at the discretion of the Secretary of Transportation. The remaining 75 percent would be apportioned on the basis of estimates of the cost to complete substitute highway projects prepared by the Secretary of Transportation and approved by the Congress. The first cost estimate would be submitted to the Congress as soon as practicable after enactment of paragraph (a)(1) and when approved by the Congress would be the basis for apportionments for the fiscal year

1984. A revised cost estimate would be submitted to the Congress within ten days subsequent to January 2, 1984, and when approved by the Congress would be the basis for apportionments for the fiscal years 1985 and 1986.

Authorizes such sums as may be necessary from the general funds of the Treasury for substitute transit projects. Funds appropriated for substitute transit projects would be distributed in a manner like that proposed for funds authorized for substitute highway projects. Twenty-five percent of the funds would be allocated at the discretion of the Secretary of Transportation and 75 percent would be apportioned based upon estimates of the cost to complete substitute transit projects prepared by the Secretary and approved by the Congress.

Section 103(e)(4) of title 23, United States Code, is amended to provide a one-year period of availability for substitute and transit apportioned funds. Apportioned sums not obligated, except for an unusable amount, shall be reapportioned among other States having substitute projects.

Section 103(e)(4) is further amended to provide that no Interstate route or segment statutorily designated after March 7, 1978, shall be eligible for withdrawal or substitution.

Existing provisions are limited to provide that the base cost of a withdrawal is as shown in the latest approved Interstate Cost Estimate. The 1983 cost estimate is used to establish the base cost for all withdrawals approved after the approval of the 1983 cost estimate. Inflation adjustments in base costs are made until the date of approval of the 1983 cost estimate or the date of project approval of a substitute project, whichever is earlier.

The Secretary of Transportation is allowed to make an exception from the September 30, 1983, deadline for concept approval of Interstate route withdrawals where a judicial injunction in effect on May 12, 1982, is prohibiting the construction of that route. The Secretary may extend such date for a reasonable period of time.

The advance construction procedures of 23 U.S.C. 115 now applicable to the Interstate system are extended to substitute highway projects approved under 23 U.S.C. 103(e)(4).

The bond retirement provisions of 23 U.S.C. 122 now applicable to the Interstate System are extended to substitute highway projects approved under 23 U.S.C. 103(e)(4).

Section 107(e) of the Federal-Aid Highway Act of 1975 is amended to give the term "construction" the meaning such term has under title 23 for purposes of determining whether a portion of the Interstate System will be completed.

Senate amendment

Authorizes in addition to any funds authorized to be appropriated out of the General Fund, $500 million for fiscal year 1983, $600 million for each of fiscal years 1984 and 1985, and $650 million for each of fiscal years 1986 and 1987, out of the Highway Trust Fund, for substitute highway projects under 23 U.S.C. 103(e)(4). The effect of this authorization is to grant contract authority for substitute highway projects. Funds for mass transit substitute projects will continue to come from the General Fund of the Treasury.

Amends 23 U.S.C. 103(e)(4) to allow withdrawal of, and to include as eligible for the benefits of withdrawal and substitution any Interstate routes including those in rural areas, except those routes or segments of routes added to the Interstate System by specific legislation after March 7, 1978.

Provide that the inflation adjustment will be based on changes in construction costs as of June 30, 1980.

Prohibits withdrawal and substitution for routes or segments of routes added to the Interstate System by specific legislation after March 7, 1978.

Clarifies that 100 percent Federal share shall also apply to traffic control signalization projects which might be included as part of an Interstate substitution project under 23 U.S.C. 103(e)(4). Present law now permits 100 percent Federal share for projects for traffic control signalization funded from all other Federal-aid categories.

Clarifies that "concept programs" for substitution projects may not be approved after September 30, 1983.

PRIMARY SYSTEM

House bill

Amends 23 U.S.C. 104(b)(1) to change the formula to apportion Federal-aid primary authorizations. The new formula would be based one-half on rural population and one-half on urban population. The present formula is based upon area, rural population, mileage of postal routes, and urban population.

The Virgin Islands, Guam, and American Samoa are made one State for purposes of the Federal-aid primary system. Such State is guaranteed one-half of 1 per centum of each year's primary system apportionment. The territorial highway program under section 215 of title 23 is not reauthorized.

Senate amendment

Eliminates the priority primary program (23 U.S.C. 147). Any unobligated authority for the priority primary program, effective the date of enactment of this section, would be apportioned by the Secretary of Transportation in the same manner as primary funds and would thereafter remain available for obligation for the same period as if the funds were apportioned like primary funds. Pertinent sections of title 23, United States Code, would be amended to reflect the elimination of the priority primary program. This section would also permit the District of Columbia to receive a minimum one-half of 1 percent of each year's primary apportionment.

INTERSTATE SYSTEM REHABILITATION AND RECONSTRUCTION

House bill

Provides for a change in the Interstate 4R apportionment formula. For resurfacing, restoration, rehabilitation, and reconstruction (Interstate 4R) funds apportioned in accordance with 23 U.S.C. 104(b)(5)(B), beginning with fiscal year 1984 to be apportioned on October 1, 1982, the distribution formula will be based one-third on vehicle miles traveled, one-third on gasoline used, and one-third on diesel fuel used in the individual States.

Senate amendment

Establishes a new interstate 4R apportionment formula. The new formula is based 60 percent on the ratio of the number of lane miles on Interstate routes (other than those on toll roads not subject to a Secretarial agreement) each State has of the total lane miles in all States, and 40 percent on the ratio each State has of the total vehicle miles traveled on those lanes on Interstate routes (other than those on toll roads not subject to a Secretarial agreement). This section also establishes a minimum one-half of one percent guarantee of Interstate 4R apportionments for each State.

The Secretary is directed to study the procedures for distributing Interstate 4R funds to the States. The purpose of the study is to analyze current conditions and factors including volume and mix of traffic, weight and size of vehicles, environmental, geographical, and meteorological conditions in various States, and any other factors that may contribute to the deterioration of the Interstate system. The Secretary shall consider such criteria as need, national importance, impact on individual State highway programs, structural and operational integrity, and any other relevant criteria, to determine the most equitable method of distribution. The Secretary is directed to report the results of the study together with recommendations for legislation not later than 2 years after the date of enactment of this section.

FEDERAL-AID URBAN PROGRAM

House bill

No provision.

Senate amendment

Establishes the Federal-aid urban program. The existing Federal-aid urban system would be abolished, allowing for a wider range of transportation programs in urban areas. The changes will facilitate the achievement of goals relating to equity of programs, energy conservation, center-city revitalization, economic development, and reindustrialization.

All public roads in urban areas would be eligible, except those on the primary system and Interstate System. Transit capital projects and transportation system management (TSM) projects would also be eligible as would projects previously categorized as safer-off-system. Consolidated safety programs incorporated by section 112 of this bill, the Highway Safety Improvement Program, are eligible for funding as part of the urban program.

The Certification Acceptance Procedures as provided by section 117(a) and the Secondary Road Plan procedures as provided by section 117(f) of title 23, United States Code, may be utilized by the States for projects under this program.

FEDERAL-AID RURAL PROGRAM

House bill

No provision.

Senate amendment

Amends section 103 of title 23, United States Code. It combines the secondary program and eligible projects now under the nonsafety portion of the safer-off-system program, the Great River Road program, the access to lakes program, the bridges on Federal dams program and the economic growth center program. This would result in a consolidated rural program and end the secondary system designation, thus making funds available for all rural and nonurban roads, other than primary and Interstate System roads. Projects eligible for funding would be expanded to include nonurban public transportation and projects previously categorized as safer-off-system roads. Consolidated safety programs incorporated by section 112 of the bill, the Highway Safety Improvement Program, are eligible for funding as part of the Rural Program. Consolidating the funds for the above mentioned programs and terminating the secondary system designation would increase the flexibility for use of the funds as well as simplify grant and project administration and management.

The Certification Acceptance procedures as provided by section 117(a) and the Secondary Road Plan procedures as provided by section 117(f) of title 23, United States Code, may be utilized by the State for projects under this program.

ENERGY-IMPACTED ROADS

House bill

The Federal share increased to 85 per centum for 4R projects on roads which the Secretary has determined, at a State's request, are energy-impacted roads. The provision also allows the States to give priority to such projects in their annual program to utilize title 23 funds and allows the Secretary to give priority to such projects when approving programs.

Senate amendment

Essentially the same as the House provision.

COST REDUCTION

House bill

Directs the Secretary of Transportation to require that every project on any Federal-aid system which will have construction costs of $2 million or above be subjected to value engineering design review.

Senate amendment

No comparable provision.

RESURFACING STANDARDS

House bill

Section 109 of title 23, United States Code, is amended to express the Congressional intent that resurfacing, restoring, and rehabilitating standards for highways, other than fully controlled access

highways, shall be for the purpose of preserving and extending the service life of highways and enhancing highway safety.

The National Academy of Sciences is (1) to conduct a study of the safety cost-effectiveness of geometric design criteria of standards for construction and reconstruction of highways to determine the most appropriate minimum standards to apply to resurfacing, restoration, and rehabilitation projects, including a study of the cost-effectiveness of the hot dip galvanizing process for installation, repair, or replacement of exposed structural steel, and (2) to propose standards to preserve and extend highway service life and enhance highway safety. Such study and proposed standards are to be submitted to the Secretary of Transportation for review and submitted to Congress for approval.

Senate amendment

No comparable provision.

VENDING MACHINES

House bill

Amends section 111 of title 23, United States Code, by inserting a new subsection (b) therein. This new provision allows States to permit the placement of vending machines in rest and recreation areas and in safety rest areas on the Interstate System.

The vending machines which States may permit to be placed in these areas are limited to those which dispense such food, drink, and other articles as the State highway department determines appropriate and desirable. The machines are to be operated by a State agency authorized to issue licenses for the operation of concessions located on Federal property and operated by the blind, and the costs of installation, operation, and maintenance are not eligible for Federal reimbursement.

Senate amendment

Permits vending machines on Interstate rights-of-way for the benefit of the traveling public without cost to the Federal Government. The facilities at which vending machines would be permitted include rest areas, weigh stations and visitor information areas. First priority is given under this section to Randolph/Sheppard Act agencies to operate such facilities.

LETTING OF CONTRACTS

House bill

Changes the exception to the general requirements of competitive bidding (23 U.S.C. section 112) from a finding by the Secretary that some other method is in the public interest to a demonstration by the State highway department to the satisfaction of the Secretary that some other method is more cost-effective and also repeals the exemption from competitive bidding requirements for Federal-aid secondary projects advanced under certification acceptance.

Senate amendment

No comparable provision.

CONSTRUCTION BY STATES IN ADVANCE OF APPORTIONMENT

House bill

Amends 23 U.S.C. 115 by changing from January 1, 1978, to January 1, 1983, the date governing the payment of bond interest as an eligible cost of construction for advance construction of Interstate projects which are under construction on, and converted to regular funding after, the governing date.

Authorizes the Secretary to pay interest on bonds issued after the date of enactment of this Act to the extent that the proceeds from the sale of bonds are expended for the construction of projects on the Interstate System.

If the rate of inflation in construction (over the life of the project) exceeds the rate of interest on the bonds, the entire amount of the interest is eligible for reimbursement from future apportionments. If the rate of inflation in construction is less than the rate of interest on the bonds, only the amount of interest calculated at the rate of inflation may be reimbursed.

Senate amendment

No comparable provision.

ADVANCE CONSTRUCTION FOR BRIDGE AND HIGHWAY SUBSTITUTE PROJECTS

House bill

Extends the availability of advance construction provisions to bridge projects under the Highway Bridge Replacement and Rehabilitation Program (23 U.S.C. 144). The approval of a bridge project under this provision is conditioned on the availability of an authorization which is in effect for the fiscal year for which the application is sought beyond the currently authorized funds for such State and that the approval will not exceed the State's expected apportionment of such authorization.

Another provision of the bill extends the availability of advance construction provisions to substitute highway projects under section 103(e)(4).

Senate amendment

Amends the existing advance construction provision to permit construction by States of highway substitute and bridge projects in advance of apportionment of highway substitute and bridge funds apportioned under 23 U.S.C. 103(e)(4) and 144.

MAINTENANCE

House bill

Amends subsection 116(c) of title 23, United States Code, to permit the Secretary to withhold project approval on the Federal-aid system involved for projects in specific areas within a State, or for the entire State, where the Secretary finds that a project is not being properly maintained.

Senate amendment

Subsection 116(b) of title 23, United States Code, requires maintenance agreements between a State without authority to maintain a project constructed "on the Federal-aid secondary system, or within a municipality," and the appropriate county or municipal officials. This section would amend subsection (b) to require maintenance agreements when a State does not have authority to maintain any project.

This section would amend subsection 116(c) of title 23, United States Code, to permit the Secretary to withhold project approval for projects in specific areas on one or more of the Federal-aid Systems or programs within a State, or for the entire State, where the Secretary finds that a project is not being properly maintained. Under present law, the Secretary must withhold project approval for the entire State for all projects when a single project is not being properly maintained.

INTERSTATE DISCRETIONARY FUNDS

House bill

The Interstate Construction Discretionary Fund is made discretionary rather than providing the funding on a first-come first-served basis. In addition, the Secretary is permitted to prioritize the allocation of funds in the fund, first, for high-cost projects which are on segments not open to traffic and, second, for projects which are high cost in relation to a State's apportionment. In addition to lapsed funds, $300,000,000 is set aside from Interstate construction funds for deposit into the fund and the reduction to a State's unobligated balance associated with 23 U.S.C. 103(e)(4) withdrawals will also be deposited into the fund.

In addition, an Interstate 4R discretionary fund is created.

Senate amendment

No comparable provision.

INTERSTATE SYSTEM RESURFACING TRANSFERS

House bill

Sections 119(a) and 139(a) of title 23, United States Code, are amended, beginning with funds apportioned for fiscal year 1984, to allow the Secretary of Transportation to approve 4R projects on the Interstate System designated, before the date of enactment of this Act, under section 139(a) of title 23 in conjunction with the withdrawal of approval of another route on the Interstate System under section 103(e)(4) of title 23.

Section 119 of title 23 is amended to permit the transfer of Interstate construction apportionments that do not exceed the Federal share of the cost of the Interstate segments open to traffic (other than high-occupancy vehicle lanes) in the most recent cost estimate to Interstate 4R apportionments. Not more than one-half of a State's Interstate construction apportionment for a fiscal year may be transferred in that fiscal year. Subsequent Interstate cost estimates shall be reduced in an amount equal to the amount transferred.

Senate amendment

Permits the transfer of up to 50 percent of a State's Interstate construction apportionment for a fiscal year to the State's Interstate 4R apportionment. The transfers are limited to the amounts expected to be apportioned to the State for Interstate 4R for the next two fiscal years. The State is required to restore the amounts transferred within the next two fiscal years, and if it fails to do so the cost of completion of the Interstate System in that State, as reflected in the next Interstate cost estimate, shall be reduced in an amount equal to the amount transferred.

TRANSFERABILITY

House bill

No comparable provision.

Senate amendment

This section amends 23 U.S.C. 104 to permit transfers between primary system and rural program apportionments and between primary system and urban program apportionments of up to 100 percent. Current law now permits 50 percent transfers between primary and secondary systems and between primary and urban systems.

FEDERAL SHARE

House bill

Section 120(c) of title 23 is amended to establish a Federal share for Interstate Resurfacing (4R) projects financed with primary funds as if the projects were financed with Interstate 4R funds.

Section 120(d) of title 23 is amended to permit a Federal share of 100 percent for certain pavement marking and traffic control signalization projects.

Provide a Federal share of at least 95 percent for economic growth center development highways projects, carpool and vanpool projects, Great River Road projects, projects for access highways to public recreation areas on certain lakes, bicycle projects, certain railroad-highway crossing demonstration projects, and certain priority primary projects which the House Committee on Public Works and Transportation has identified as eligible routes.

Senate amendment

Same as the House regarding traffic control signalization projects under section 103(e)(4).

HIGHWAY BEAUTIFICATION

House bill

The House bill restructures the current outdoor advertising control program in a number of ways. It removes the Federal Government from the day-to-day oversight of State programs and leaves the details of those programs to the States. The bill essentially retains current controls along the Interstate and primary systems, including the requirement to remove signs with compensation. The

costs of acquiring signs are transferred to the States. Federal authorizations are required only to meet obligations under the 1958 bonus program, applicable in 23 States.

The States are encouraged to maintain certain specified minimum regulatory control through the incentive of a ten percent reduction of Federal-aid highway funds. The minimum controls are not mandatory and the States are not coerced in this regard since they may unilaterally determine not to comply and forego these additional funds.

The essentials of effective control are set forth as follows:

(1) Signs must be limited to commercial and industrial areas or to unzoned commercial and industrial areas as the State may deem appropriate. The existing exemptions found in section 131(c) are also retained.

(2) Signs may not be erected in areas where funds have been expended to cause their removal.

(3) The compensation provisions of the current law are expanded to protect sign owners from the impairment of the customary use or maintenance of signs. States would be required to pay compensation to cover these situations. The bill also makes clear that traditional concepts of eminent domain and condemnation proceedings also apply to sign acquisitions.

(4) The States are encouraged to provide for scenic areas where signs would not be permitted.

The Governor of each State must certify the State's program to the Secretary. The Secretary's oversight would be limited to assuring that the State makes a proper certification and controls signs in accord with that certification. The penalty provision of the current law is retained to permit the Secretary to enforce the law.

The bill makes no changes in the 1958 bonus program, the junkyard control program, the specific information signing (logo) program, and the information center program.

No specific authorizations are made.

Senate amendment

No comparable provision.

APPROACHES

House bill

Existing law authorizes the expenditure of Federal-air funds on projects approaching toll roads, bridges, and tunnels only to a point that such projects would have some use other than simply feeding traffic directly onto the toll facility. This restriction is eliminated and authorize the use of Federal-aid funds for projects which feed all traffic directly onto the toll facility, provided the Secretary is given the authority to define the extent of such projects.

Senate amendment

No comparable provision.

PARKING FACILITIES

House bill

Expands the authority to acquire land and construct fringe and corridor parking facilities on the Interstate System. Provided the facilities are for the exclusive use of carpools and vanpools, they do not have to be located and designed in conjunction with existing or planned public transportation facilities. Funds apportioned for resurfacing, restoring, rehabilitating and reconstructing the Interstate System shall be used to pay the Federal share of the cost of these projects.

Senate amendment

This section amends section 137 of title 23, United States Code, by adding a new subsection (f) which allows Interstate 4R funds to be used for projects providing preferential parking for carpools. It incorporates the same restrictions as other fringe parking facilities with respect to being outside the central business district and within an Interstate corridor, and the primary purpose of reducing vehicular traffic on the Interstate highway. Other standard features concerning contracting and fees charged are also included.

EQUAL OPPORTUNITY

House bill

Section 140 of title 23 is amended to authorize training and assistance programs for minority contractors and authorizes the use of an additional $10 million per fiscal year to conduct and finance such programs. The $10 million set-aside from annual apportionments is continued for construction training and supportive services programs.

23 U.S.C. 140 is also amended to assure that equal employment opportunity must be provided without regard to sex.

Senate amendment

This section amends 140 of title 23, United States Code, to assure that equal employment opportunity must be provided without regard to sex; to authorize the Secretary of Transportation to conduct and finance minority business enterprise training programs and assistance programs; and to authorize the use of $10 million per fiscal year from the sums apportioned under 23 U.S.C. 104(b) to conduct and finance minority business enterprise training programs and assistance programs. These training and assistance programs are specifically provided for the benefit of women and minorities.

PUBLIC TRANSPORTATION

House bill

Permits the cost of providing shuttle service to and from fringe and corridor parking facilities constructed with Federal-aid funds to be included in the eligible fees that may be charged for the use of the parking facilities.

Senate amendment

This section amends section 142(a)(1), (b) and (f) of title 23, United States Code, by substituting "high occupancy vehicle lanes" for "bus lanes," "high occupancy vehicle passengers" for bus passengers", and "high occupancy vehicles" for "public mass transportation systems". The overall effect is to expand the scope of the projects eligible for funding under section 142 to include carpool and vanpool vehicles and passengers. Also, it allows such projects to include eligible facilities for carpools and vanpools only, without the presence of buses or rail transit.

BRIDGE PROGRAM APPORTIONMENT

House bill

Procedures are established for determining the bridge program apportionment factors annually for each State using the latest available Federal-aid and off-system bridge inventory data.

The maximum share of apportioned bridge funds a State may receive is raised from eight percent to ten percent.

Senate amendment

This section provides for an annual apportionment starting in fiscal year 1983 based upon the following formula; All deficient bridges will be divided into four categories: (1) Federal-aid system bridges and bridges on public roads functionally classified as arterials or major collectors eligible for replacement, (2) Federal-aid system bridges and bridges on public roads functionally classified as arterials or major collectors eligible for rehabilitations, (3) Off-system bridges and bridges on public roads not functionally classified as arterials or major collectors eligible for replacement, and (4) Off-system bridges and bridges on public roads not functionally classified as arterials or major collectors eligible for rehabilitation. The square footage of deficient Federal-aid system bridges, and bridges on public roads functionally classified as arterials or major collectors, both those eligible for replacement and those eligible for rehabilitation, shall be multiplied by a factor of two. The square footage of deficient bridges in each category shall be multiplied by a national average unit cost on a State-by-State basis and the total cost in each divided by the total cost of the Nation's deficient bridges to yield the apportionment factors, except that no State shall receive less than one-quarter of one percent nor more than 9.25 percent of the annual apportionment. These funds are available for 4 years.

HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION

House bill

Provides a $200 million set-aside from authorizations for highway bridge replacement and rehabilitation for each of the fiscal years, 1983, 1984, 1985, and 1986 for the bridge discretionary program. Conditions for allocating bridge discretionary funds are unchanged from existing law except for language making the La Salle Peru (Illinois) bridge replacement project and replacement of the Russian River Bridge and Preston Overhead north of Cloverdale, California,

necessitated by the unstable soil conditions which are causing the structure to shift, including such relocation of the highway approaches as is occasioned by the replacement of the structures on a site outside the slide area where soil conditions are stable, eligible for discretionary bridge funding.

Senate amendment

Subsection (c)(2) provides for a Discretionary Bridge Fund of $300 million for each of fiscal years 1983 through 1987. Funds are available for a period of 4 years. Projects eligible for the funds are those costing more than $10 million or those costing at least twice a State's annual bridge fund apportionment. A technical amendment is also made to 23 U.S.C. 144(g) to change the requirement of expenditures on bridges off the Federal-aid systems to a requirement of at least 15 per centum of expenditures on bridges on public roads not functionally classified as arterials or major collectors. The provision also deletes the provision of 23 U.S.C. 144(g) which prohibits the expenditure of more than 35 per centum of a State's bridge apportionments off the Federal-aid systems.

Another provision of the Senate amendment directs the Secretary to develop a selection process for discretionary bridges authorized under section 144(g). This selection process is to include a formula resulting in a rating factor which is based on criteria including the sufficiency rating, average daily traffic, average daily truck traffic, defense highway system status and the State's unobligated balance of funds received under section 144. In addition, the Secretary is directed to give consideration to bridges that are closed to all traffic or that have a load restriction of 10 tons or less. Those bridges already eligible for discretionary bridge funds will remain eligible. After the issuance of a final regulation, eligible bridges will be limited to those with a rating factor of 100 or less, based on a scale of 0 to infinity. Makes eligible under section 144(g) of title 23 a project to replace the La Salle-Peru Bridge in Illinois.

CARPOOL AND VANPOOL PROJECTS

House bill

Conforms section 146 of title 23 to the increase in the Federal-aid participation level in carpool and vanpool projects from 75 percent to 95 percent.

Senate amendment

Amends section 120(d) of title 23, United States Code, to allow up to 100 percent Federal share on projects for the acquisition of vehicles for carpooling and vanpooling.

Subsection (b) authorizes and directs the Secretary of Transportation to expend such sums as are necessary out of Federal Highway Administration administrative funds to carry out the national policy of promoting commuter modes of transportation which conserve energy, reduce pollution, and reduce traffic congestion.

ALLOCATION OF URBAN FUNDS

House bill

23 U.S.C. 150 is revised to permit Federal-aid urban system funds that are allocated to urbanized areas of 200,000 or more population to be used in other urbanized areas within the State or any urban areas within the State. The additional flexibility in use of the funds for urban projects would be subject to the approval of the local officials, the governor, and the Secretary.

Senate amendment

Permits the transfer of funds attributable to an urbanized area of 200,000 or more population to the allocation of another urbanized area in the State or to any other urban area in the State. A transfer, requested by the State, would be subject to the approval of the Secretary and the local officials of the urbanized area from which the funds are to be transferred.

HAZARD ELIMINATION PROGRAM EXTENSION

House bill

Section 152 of title 23, United States Code, is amended to extend the eligibility of hazard elimination funds to highway safety improvement projects off the Federal-aid systems.

Senate amendment

Repeals section 152 of title 23 as the hazard elimination program is incorporated in the highway safety improvement program.

FEDERAL LAND HIGHWAYS

House bill

The separate provisions of chapter 2 of title 23, United States Code, which provide for forest highways (section 204), park roads (section 206), parkways (section 207), Indian reservation roads and bridges (section 208), and public lands highways (section 209) are eliminated and in lieu thereof a coordinated Federal lands highways program is established and the classes of Federal lands highways are continued. The Secretary of Transportation is made responsible for oversight and coordinating the Federal lands highways in order to ensure that such highways are treated under the same uniform policies.

Jurisdiction of the Federal lands highways is not tranferred from the agencies that currently manage the respective Federal lands. The Department of the Interior is involved in coordination with the land managing agency in the planning studies and program development of public Federal lands highways. The Department of the Interior would also provide design and construction assistance to the Federal land managing agencies.

The allocation criteria relative to forest highways and public lands highways are revised in order to reflect the policies and directions mandated by renewable resource and land use planning legislation. Similarly, allocation criteria are established for park roads, parkways, and Indian reservation roads and bridges.

One and one-half percent of funds appropriated for Federal lands highways will be available for planning and research purposes.

Senate amendment

Establishes a Federal Lands Highway Program which would include forest highway, park roads, parkways, Indian reservation roads, and public lands highways.

Allocation criteria are modified for forest highways and forest development roads and trails and allocation criteria are established for park roads, parkways, and Indian reservation roads. For public lands highways, the criteria are the same as in existing law, but a new provision would provide that preference be given to those highway projects which are significantly impacted by Federal land and resource management activities.

The new section authorizing the Federal Lands Highways Program places on the Secretary of Transportation the oversight and coordinating responsibility for Federal Lands Highways in order to ensure that such highways are treated under the same uniform policies as roads which are on the Federal-aid systems.

This proposal would not transfer jurisdiction of the Federal roads from the agencies that currently manage the respective Federal lands. Rather, it would involve DOT in coordination with the land managing agency, in the planning studies and program development of public Federal lands highways roads. The DOT would also provide design and construction assistance to the land managing agencies.

The Secretary must continue to determine that the Indian roads funds are spent in addition to, and not in lieu of, the States Regular Federal-aid funds.

This section would also add to title 23, United States Code, a definition of the term Federal Lands Highways, amend the definitions of the terms Indian reservation roads and park roads to include public roads only, and make technical changes to conform affected sections of title 23, United States Code, with the new Federal Lands Highways Program.

BICYCLE TRANSPORTATION

House bill

The Federal share payable for bicycle facilities changed to 95 percent rather than the share applicable to the category of Federal-aid system from which funds for such projects are made available. The types of projects that can be funded with Federal-aid highway funds (except Interstate) is expanded to include projects not on or adjacent to a Federal-aid highway project and nonconstruction projects related to safe bicycle use.

Projects funded under this provision must be principally for transportation, as determined by the Secretary as part of the normal review process, rather than recreational purposes. On highways without full control of access where a bridge deck is being replaced or rehabilitated, the bridge shall be made accessible for the safe accommodation of bicycles when it can be done at reasonable cost and where bicycles are permitted at either end.

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Senate amendment

Broadens current authority to allow Federal-aid highway funds to participate in a greater variety of projects to encourage bicycle transportation and to provide pedestrian facilities. It would allow States greater flexibility in developing federally assisted bicycle and pedestrian projects by (1) eliminating the requirement that bicycle or pedestrian projects be "on or in conjunction with highway rights-of-way"; (2) eliminating the limitation on the expediture of Federal-aid highway funds for bicycle or pedestrain projects; and (3) specifically allowing Federal-aid highway funds to participate in nonconstruction projects that are expected to enhance bicycle safety and use. The Federal share for bicycle projects would be increased to 100 percent.

PARKING RAMPS AND FRONTAGE ROADS

House bill

Assures that certain parking facilities in the State of Minnesota will be added to the 1981 Interstate cost estimate. The parking ramps, which will include spaces for up to 6,000 vehicles, would then be an eligible expense for Interstate construction funds in connection with the I-394 project in Minneapolis.

The Secretary of Transportation is authorized to approve the expenditure of funds under section 108(b) of the Federal-Aid Highway Act of 1956 for construction of a previously approved project providing improvements to and reconstruction of ramps and service roads which are developed as part of a roadway system to relieve congestion on a segment of the Interstate System.

Senate amendment

Clarifies the eligibility for Interstate funding for four projects for fringe parking facilities along Interstate routes.

PROJECT ELIGIBILITY

House bill

The cost of improvements in the vicinity of an interchange on an Interstate route in the State of Massachusetts which interchange has been approved in concept by the Secretary of Transportation is made eligible for Interstate construction funds if such improvements are necessary to upgrade the safety of a Federal aid primary route not on a common alignment with such Interstate route.

Senate amendment

No comparable provision.

ACCELERATION OF PROJECTS

House bill

The Secretary of Transportation is directed to establish accelerated methods for processing projects under title 23 of the United States Code.

Senate amendment

No comparable provision.

FOUR-LANE BRIDGES

House bill

Payments for additional construction of a specific type of bridge when initial authorization for payments was between January 1, 1970, and the date of the enactment of this Act are authorized. Only two-lane bridges with a substructure and deck trust capable of supporting four-lane bridges are eligible.

Senate amendment

No comparable provision.

DEMONSTRATION PROJECTS

House bill

The following demonstration projects are authorized:

(1) In Los Angeles County, California, a project demonstrating methods of improving the motor vehicle transportation of freight to and from areas for the transshipment of water borne commerce at a cost not to exceed $19,000,000 per fiscal year for fiscal years 1983 and 1984 and $20,000,000 for fiscal year 1985.

(2) A project in the State of Pennsylvania in the vicinity of Altoona on Route 220 to demonstrate state of the art technology enclosing a gap of a multi-lane limited access approach road at a cost not to exceed $5,000,000 for fiscal year 1983, $10,000,000 for fiscal year 1984, and $62,000,000 for fiscal year 1985.

(3) A project in the vicinity of Buhne Point, Humboldt Bay, California, to demonstrate state of the art methods of repairing damaged highways resulting from shoreline erosion at a cost not to exceed $9,000,000.

(4) A project in the vicinity of East Baton Rouge, Louisiana, to demonstrate the efficacy of reducing traffic congestion in the immediate vicinity of a partial-diamond, partial-cloverleaf interchange at not to exceed $5,000,000.

(5) A project in the vicinity of Louisville, Kentucky, to demonstrate methods of accelerating construction of high traffic sections of highways on the primary system directly connected to the Interstate System at a cost not to exceed $25,000,000 for fiscal year 1983 and $27,000,000 for fiscal year 1984.

Senate amendment

The following demonstration projects are authorized:

(1) Projects in and around Devils Lake, North Dakota which demonstrate the use of construction techniques which will prevent wave erosion on roadways which cross closed basin lakes at grade level.

(2) A project in cooperation with the State of Idaho to determine what factors contribute to a high incidence of truck accidents.

(3) A project on the Federal-aid urban system to show how downtown congestion can be relieved by the construction of a high-level

bridge over a segment of intercoastal waterway. $23 million is authorized in contract authority to carry out this provision.

(4) A demonstration project for East Baton Rouge, Louisiana.

(5) A project in cooperation with the State of Vermont, which will demonstrate the feasibility of extending the coverage of State certifications under section 117(a) of title 23, United States Code. The purpose of the demonstration project is to determine to what extent States are able to carry out the requirements of Federal law, both title 23 and nontitle 23 requirements, and to determine what kinds of problems may be encountered under such procedures. The project shall also document those areas where savings can be made in time and paperwork without adverse impacts on public participation or the environment.

MANPOWER NEEDS STUDY

House bill

Directs the Secretary to enter into an agreement with the National Academy of Science's Transportation Research Board to conduct a study of future transportation professional manpower needs. The study is to include, among other things, prevailing methods of recruitment, training and financial, and other incentives and disincentives which encourage or discourage retention in service of transportation manpower by Federal, State, and local governments. The report is to be submitted to Congress in two years, and the Secretary is to furnish the Academy information deemed necessary by the Academy for the study.

Senate amendment

No comparable provision.

VEHICLE WEIGHT, LENGTH, AND WIDTH LIMITATIONS

House bill

Section 127 of title 23, United States Code, is amended to provide for national uniform vehicle axle and gross weight limits for the Interstate System. These limits are set at 20,000 pounds for a single axle and 34,000 pounds on a tandem axle. The overall gross vehicle weight is to be limited by operation of the bridge formula to a maximum of 80,000 pounds, except for nondivisible loads for which special permits have been issued by States in accordance with applicable State laws. No funds authorized to be appropriated under the 1956 Highway Act may be apportioned to a State which does not permit the operation of such vehicles at such maximum weights on the Interstate System within that State. Amounts so withheld will lapse.

The new section also provides, however, that apportionments shall not be denied to States which allow the operation of vehicles which that State determines, in consultation with the Secretary, could have legally operated in the State on July 1, 1956, or in the case of overall gross weight of any group of two or more consecutive axles, on the date of enactment of the Federal-Aid Highway Act of 1974. For the State of Hawaii, the applicable date is February 1, 1960, rather than July 1, 1956. For the State of Michigan,

laws or regulations in effect on May 1, 1982, are applicable for the purposes of this subsection of title 23.

Subsection (b) of section 127 of title 23 provides that funds under the 1956 Highway Act may not be apportioned to a State with (1) a vehicle length limitation of less than 48 feet on the length of a semitrailer in a truck tractor-semitrailer combination, (2) a vehicle length limitation of less than 28 feet on the length of any semitrailer or trailer in a "double" combination, or (3) a vehicle width limitation other than 102 inches on the Interstate System.

Subsection (c) of section 127 of title 23 provides that the length limitations of (b) above do not apply to a truck tractor. States are further precluded from prohibiting the use of trailers or semitrailers of such dimensions as those that were in actual and lawful use in such State on the date of enactment of this Act.

While the bill establishes 28 feet as the uniform standard trailer length applicable to doubles, it also provides that no State shall prohibit or restrict the use of existing doubles trailers of up to 28½ feet for the life of those trailers.

Subsection (d) of section 127 of title 23 provides that "doubles" shall not be prohibited from operating nationwide on the Interstate System.

Subsection (e) of section 127 of title 23 provides the Secretary with general authority to implement this section by regulation and specifically authorizes the Secretary to make determinations necessary to accommodate specialized equipment such as automobile transporters.

Subsection (f) of section 127 of title 23 defines "truck tractor" as the noncargo carrying power unit in a combination vehicle.

Subsection (g) of section 127 of title 23 excludes such safety and energy conservation devices as shall be designated by the Secretary from the limits described in subsection (b) and (c) of section 127 of title 23. This would allow the use of the devices set forth in the bill and similar devices without increasing the cargo-carrying capacity of a vehicle. However, any device capable of carrying cargo would be included in the length and width of a vehicle for the purposes of subsections (b) and (c).

Subsection (h) of section 127 of title 23 provides that States must permit vehicles subject to this section reasonable access to and from the Interstate System, terminals, and facilities for food, fuel, and rest. This provision is not intended to preempt a State's reasonable exercise of its police powers with respect to safeguarding public safety on roads within the area of its jurisdiction.

The amendment to section 127 takes effect only upon enactment of a more equitable tax structure for highway users.

Senate amendment

SEC. 246. This provision amends section 126 of title 23, United States Code, to establish a national uniform maximum weight per axle and by gross weight. The limits are set at 20,000 pounds for single axles, 34,000 pounds on a tandem axle and an overall gross weight of 80,000 pounds as limited by the bridge formula contained in section 127.

The provision also clarifies the application of the "grandfather clauses" authorized by the Federal-Aid Highway Act of 1956 and

the Federal-Aid Highway Amendments of 1975. Under this provision States will determine the weight of vehicles and classes of vehicles eligible under the grandfather provision as it applies to their State, concerning length limitations, the Senate amendment prohibits States from imposing trailer limitations if less than 48 feet for trailers in a "single" combination or 28 feet for "double" combinations on any segment of the interstate system or Federal-aid highways except with respect to certain qualifying Federal-aid highways.

Assures that State regulation may not apply to the length of truck tractors or the overall length of singles and doubles. (The bill is neutral with respect to State regulation of "triples" or straight trucks involving no combinations.) States are prohibited from imposing regulations that have the effect of being more restrictive than those in force on December 1, 1982. Existing trailers or semitrailers of up to twenty eight and a half feet in length, in a truck tractor-semitrailer-trailer combination are allowed to continue to operate in Commerce if actually operating on December 1, 1982 within a 65 foot overall length limit in any State.

Prohibits States from precluding "double" combination units from the interstate and federal-aid highway system—except with respect to such qualifying Federal-aid highways designated pursuant to subsection (e) of this section.

Gives the Secretary of Transportation the authority to establish or guidelines for the implementation of the provisions of the section and to make such determinations as are necessary to accommodate specialized equipment.

Authorizes the Secretary of Transportation and the States to restrict the application of the federal standards for length on Federal-aid highways if the application of such standards to specific Federal-aid highways would adversely affect the public safety.

Defines "truck tractor" as the non-cargo carrying power unit that operates in combination with a semi-trailer or trailer(s).

Provides that the provisions of the section take effect six months after the enactment of the bill.

Concerning commercial motor vehicle width regulations, States are required to allow commercial motor vehicles to operate on highways at a width of 102 inches provided the traffic laws are designed to be a width of 12 feet or more.

The length and width limitations are exclusive of a number of fuel conservation and safety devices listed.

No State may deny reasonable access to and from the interstate and federal aid system and terminals and facilities for food, fuel, repairs, and rest.

MARTIN LUTHER KING BRIDGE

House bill

Establishes specific criteria under which the Martin Luther King Bridge, which crosses the Mississippi River between St. Louis, Missouri, and East St. Louis, Illinois, would be eligible for assistance under section 144, Highway Bridge Replacement and Rehabilitation Program, of title 23, United States Code.

Senate amendment

No comparable provision.

FERRY BOAT STUDY

House bill

Directs the Office of Technology Assessment (OTA) to study the feasibility of a high speed ferry boat operation from St. Croix and St. Thomas in the Virgin Islands. Other agencies of the Federal Government are directed to assist the OTA, and a report is due to the Congress no later than January 1, 1984.

Senate amendment

No comparable provision.

STUDY OF WEATHER-RELATED FACTORS IN APPORTIONMENT FORMULAS

House bill

Requires the Secretary to conduct a study and report to Congress within one year with specific recommendations for changing apportionment formulas to take into account weather-related factors.

Senate amendment

No comparable provision.

REPORT REGARDING LONGER COMBINATION COMMERCIAL MOTOR VEHICLES

House bill

Requires the Secretary to make a report to the Congress on the potential benefits and costs associated with the establishment of a national intercity truck route network for the operation of longer combination vehicles.

Provides that the Secretary shall make a report within one year after consultation with the States and opportunity for public comment. The report is to consider the potential benefits and costs for such a network for shippers receivers, operators of commercial motor vehicles, and the general public.

"Longer combination commercial motor vehicles" is defined as multiple trailer combinations consisting of (1) truck tractor–semitrailer-full trailer or (2) truck tractor-semitrailer-full trailer-full trailer. The overall length, however, would not exceed 110 feet. "National intercity truck route network" is defined as consisting of a number of controlled access, interconnecting segments of the Interstate System and other highways of comparable design and traffic capacity including, but not limited to, all highways where longer combination vehicles are authorized on the date of enactment of this Act.

The report is to include a specific plan for the establishment of the network including the designation of the specific segments involved and analyses of the freight volume which might be transported in such longer vehicles, the projected fuel savings, anticipated productivity gains, the fuel conservation and productivity gains historically achieved by the use of longer vehicles, and the safety

record of longer vehicles. This subsection also requires an analysis of the impacts of the size and weight limitations in effect after enactment of this Act, including the effect on intermodel competition.

The Secretary shall assume, for purposes of the report, that the axle weight limits are as established in section 127 of title 23, United States Code, and the overall gross weight limit would be determined by the bridge formula alone.

The Secretary is required to further assume that reasonable access to terminals, combination breakup areas, and food and fuel facilities will be provided.

The provision makes clear that this section intends only that a study of the issue of longer vehicles be made at this time with final Congressional action to follow.

Senate amendment

The Secretary of Transportation is required to study and report on the potential benefits and costs that may result from the establishment of a National intercity truck route network for the operation of a special class of longer-combination commercial motor vehicles.

CHANGE IN LOCATION OF INTERSTATE SEGMENTS

House bill

The Secretary of Transportation may approve a change in location of an Interstate route if construction of the Interstate route at the new location does not exceed the estimated costs of eligible improvements at the original location, if the original location of such route is open to traffic before the date of enactment of this Act, and if the eligible improvements at the original location involve major modifications in order to meet acceptable standards or result in severe environmental impacts or mitigation measures relating to the environmental impact are not cost effective.

Senate amendment

Essentially the same as the House bill. The Senate amendment does not include a provision in the House bill which would allow an increase or decrease in the cost of construction on the new location based on changes in construction costs.

ACCESS CONTROL DEMONSTRATION PROJECTS

House bill

The deadline for the report on results of access control demonstration projects carried out under section 150 of the Federal-Aid Highway Act of 1978 is extended from September 30, 1983, to September 30, 1985.

Senate amendment

No comparable provision.

REVISION OF PROJECT AGREEMENT

House bill

The Secretary of Transportation and the New Jersey Department of Transportation are directed to revise the agreement for the Federal-aid project 23-D-U-54 (100) in New Jersey to make available financial assistance not to exceed $1,000,000 for relocation of businesses that have suffered monetary losses as a result of such project.

Senate amendment

No comparable provision.

USE OF SUBSTANCES FROM RECYCLED TIRES IN PAVING MATERIALS

House bill

Authorizes the Secretary to make grants to each State which adopts and implements a program that requires utilization of significant volumes of substances or materials produced in substantial part from rubber recovered from recycled tires on projects on Federal-aid highways. The grants may only be used to implement and enforce such programs. There is authorized out of the Highway Trust Fund $5 million for FY 1983 and $25 million for each of FYs 1984 and 1985.

Senate amendment

No comparable provision.

ENFORCEMENT OF HEAVY VEHICLE USE TAX

House bill

Amends section 141 of title 23, United States Code, to provide that no funds for Interstate construction or 4R shall be apportioned to a State for any fiscal year during which heavy vehicles which are subject to the use tax imposed under section 4481 of the Internal Revenue Code of 1954 may be lawfully registered in the State without having presented proof of payment of such tax. Withheld amounts are reapportioned to other States.

Senate amendment

MONITORING OF EFFECT OF DOUBLE BOTTOM TRUCKS

House bill

Provides that the Secretary shall enter into arrangements with the National Academy of Sciences to monitor the effect on Interstate highways of the use of trucks with two trailing units. Another amendment in the bill provides that no State shall prohibit the use of such vehicle combinations. The Academy is to report to the Secretary and Congress within two years.

Senate amendment

No comparable provision.

ADVANCEMENT OF NON-FEDERAL SHARE

House bill

Provides a Federal share up to 100 percent through FY 1983 for a highway project if the Governor of the State submitting the project certifies, in accordance with regulations established by the Secretary, that sufficient State funds are not available to pay the non-Federal share of the project. The total which may be obligated for these projects shall not be greater than the amount of the excess of (1) the sum of the obligational authority distributed to the State for FY 1983 plus any amounts received by the State under the minimum apportionment provision, over (2) the amount of obligational authority distributed to the State for FY 1982.

The State is required to repay the amount of any increases in Federal share received under this provision by the end of FY 1984. The repayments shall be deposited in the Highway Trust Fund and credited to the appropriate apportionment accounts of the State.

If the State does not fully repay by the end of FY 1984, the amount not repaid shall be deducted on a pro rata basis from the States apportionments under section 104(b) of title 23 (other than the apportionment for Interstate construction), 50 percent from FY 1985 apportionments and 50 percent from FY 1986 apportionments.

Senate amendment

Same as the House bill except for technical differences.

LANE RESTRICTIONS

House bill

Prohibits the State of California from restricting the use of certain lanes in Alameda County, California, to high occupancy vehicles.

Senate amendment

No comparable provision.

UPGRADING CERTAIN INTERCHANGES

House bill

This section permits the use of Interstate construction funds for upgrading certain interchanges in the State of California.

Senate amendment

No comparable provision.

CONVICT LABOR

House bill

Section 114(b) of title 23, United States Code, which prohibits the use of convict labor on highway construction projects, is amended to also prohibit the use of materials produced by convict labor.

Senate amendment

No comparable provision.

PREVAILING RATE OF WAGE

House bill

This section amends section 113(a) of title 23, United States Code, relating to the application of the Davis-Bacon Act. The provision currently applies to "initial construction work performed on highway projects on the Federal-aid systems". This amendment deletes the word "initial".

Senate amendment

Same as House bill.

MINIMUM ALLOCATION

House bill

Provides that the Secretary shall allocate sufficient amounts to States to insure that each State's percentage of the total apportionments in each fiscal year of funds for Interstate highway substitute, primary, secondary, Interstate, urban, bridge replacement and rehabilitation, hazard elimination and rail-highway crossings under sections 103(e)(4), 104(b), 144, and 152 of title 23 and section 203 of the Highway Safety Act of 1973 shall not be less than 85 percent of the percentage of estimated tax payments attributable to highway users in that State paid into the Highway Trust Fund, other than the Mass Transit Account, in the latest fiscal year for which data is available.

Amounts so allocated are available for four fiscal years, are subject to the provisions of title 23, and are available for Interstate highway substitute, primary, secondary, Interstate, urban, bridge replacement and rehabilitation, hazard elimination and rail-highway crossings projects. Obligation ceilings shall not apply to these amounts.

$420,000,000 is authorized out of the Highway Trust Fund for fiscal year 1983, and such sums as may be necessary are authorized for fiscal years 1984, 1985, and 1986.

Senate amendment

Same as House bill except that Interstate highway substitute apportionments are not included in the 85 percent computation and the amount authorized for fiscal year 1983 is $526,000,000.

STUDY OF METHANE CONVERSION FOR HIGHWAY FUEL USE

House bill

Provides that the Secretary, using research funds, shall study the potential for recovering methane released in the process of offshore oil drilling and converting it into methanol on floating conversion plants for use as fuel in highway vehicles. The Secretary shall report to Congress the results of the study within one year.

Senate amendment

No comparable provision.

DEMONSTRATION PROJECTS—RAIL-HIGHWAY CROSSINGS

House bill

Extends the authorization for rail-highway crossing demonstration projects at $50 million per fiscal year for fiscal years 1983 through 1986, and adds a provision that any project not under construction by September 30, 1985, shall not be eligible for additional funds.

Senate amendment

No comparable provision.

FEASIBILITY STUDY

House bill

The Secretary of Transportation is directed to study the feasibility, and determine the costs, of designating and constructing a highway in the State of South Carolina connecting I-95 with United States Route 17 in Myrtle Beach, South Carolina, as a part of the Interstate System or primary system. $500,000 is authorized out of the Highway Trust Fund to carry out such study for fiscal year 1983.

Senate amendment

HIGHLAND SCENIC HIGHWAY

House bill

No comparable provision.

Senate amendment

Amends section 161(f) of the Federal-Aid Highway Act of 1973 to remove a technical problem presently preventing the State of West Virginia from maintaining the Highland Scenic Highway, located partially within and adjacent to the Monogahela National Forest in the State. It would also allow local light truck traffic and limited commercial truck traffic on a permit basis only.

EMERGENCY RELIEF

House bill

No comparable provision.

Senate amendment

Amends subsection (a) of section 125, title 23, United States Code, to make clear that the term "catastrophic failure" means failures which are sudden, unexpected, and result from external forces, natural catastrophies in narrow or limited areas such as localized hurricane force winds, earthquakes, landslides, and the like. "Catastrophic failure", for purposes of this section, does not mean failure

which is the result of structural deficiencies or physical deterioration.

Provides that all expenditures for emergency relief under 23 U.S.C. 125, whether past or future, shall come from the Highway Trust Fund and not from the General Fund of the Treasury.

Deletes the reference to bridges which have been closed to traffic between December 31, 1967 and December 31, 1970.

Authorizes, from the Highway Trust Fund, $100 million per year for emergency relief projects.

Amends 23 U.S.C. 125(b) to provide that expenditures for projects resulting from a single natural disaster or a single catastrophic failure shall not exceed $30 million in a State.

Applies the amendment made by subsection (d) to natural disasters or catastrophic failures which the Secretary finds to be eligible for emergency relief subsequent to the enactment of this section.

Amends 23 United States Code 120(f), which pertains to the Federal share for highway emergency relief projects. Under current law, the Secretary can increase the Federal share to 100 percent. Under this subsection, the Federal share would be limited to 75 percent, except for forest highways, forest development roads and trails, park roads and trails, parkways, public lands highways, public lands development roads and trails and Indian reservation roads, which would still receive 100 percent Federal funding.

Applies the provisions of 23 United States Code 120(f), as amended by the bill, to all natural disasters or catastrophic failures which the Secretary finds to be eligible for emergency relief subsequent to the enactment of the bill.

DEFENSE ACCESS ROADS

House bill

No comparable provision.

Senate amendment

Amends section 210(c) of title 23, United States Code, to permit funds appropriated for defense maneuvers and exercizes to be used for work on highways which have been or may be used for training of the Armed Forces.

CONSTRUCTION

House bill

No comparable provision.

Senate amendment

Section 114 of title 23, United States Code, now requires that the Secretary inspect each highway construction project. This amendment would remove that requirement. The Secretary would establish procedures for inspecting and approving construction but would not have to inspect each project.

RESEARCH AND PLANNING

House bill

No comparable provision.

Senate amendment

Amends 23 U.S.C. 307 to confirm the legal basis for pooling 1½ percent highway planning and research (HPR) funds into a single fund and to establish a uniform period of availability, and a standard Federal matching share. This section also clarifies that the States may use these funds for study, research and training on engineering standards and construction materials, including evaluation and accreditation of inspection and testing.

PROGRAM CONSOLIDATION

House bill

No comparable provision.

Senate amendment

Repeals the Economic Growth Center Development program, National Scenic and Recreational Highway program, Access Highways to Public Recreation Areas on Certain Lakes program, Highway Crossing Federal Projects program, and the Railroad Highway Crossings Demonstration Project.

Provides that any unobligated balance of contract authority or unexpended balance of sums appropriated prior to enactment will remain available for these programs under the conditions applicable prior to such enactment. The unappropriated balance of sums authorized prior to enactment for the National Scenic and Recreational Highway program, Access Highways to Public Recreation Areas on Certain Lakes, and Highways Crossing Other Federal Projects is rescinded.

INTERAGENCY AGREEMENTS

House bill

No comparable provision.

Senate amendment

Adds a new section to title 23, United States Code, under which the Secretary of Transportation would be required to enter into memoranda of understanding with other Federal agencies to coordinate the various environmental compliance reviews that apply to Federal and Federal-aid highway projects. The purpose of such memoranda is to minimize, to the maxmum extent practicable, duplication, needless paper work, and delays in approval of projects under title 23, United States Code.

CERTIFICATION ACCEPTANCE

House bill

No comparable provision.

Senate amendment

Amends 23 U.S.C. 117 to provide for (1) the application of certification acceptance to the physical construction phase of Interstate 4R projects; (2) the elimination of the requirement to make a final inspection on every project under both the certification acceptance and secondary road plan programs; and (3) the extension of coverage under the secondary road plan program to: "projects, as defined by the Secretary and which are not on the Interstate System." These changes in no way would relieve the State highway departments from the requirement of entering into formal project agreements with the Secretary pursuant to section 110 of title 23. Certification acceptance would be available to Interstate restoration projects once they reach the construction phase; thus it would apply only to those work areas such as time extensions, construction contract change orders, assessment of liquidated damages, etc., which take place subsequent to the actual construction project being authorized.

HIGHWAY SAFETY IMPROVEMENT PROGRAM

House bill

No comparable provision.

Senate amendment

Establishes a single highway safety improvement program by combining all safety categories—Hazard Elimination, Rail Highway Crossings, Rail Relocation Projects, Safer-Off-System Roads, and highway related safety activities under section 402.

Each State must develop and implement a continuous highway safety improvement program which includes procedures for planning, implementation and evaluation of highway safety improvement projects. As part of this program, each State must have a process for inventorying and analyzing accident, traffic, and highway data, for conducting engineering surveys of hazardous locations, sections, and elements; and for maintaining and implementing a prioritized schedule of projects for the improvement of the hazards identified. Any highway safety improvement project on a public road, except the Interstate, may be funded under this section. The Federal share under this section is 90 percent except for rail-highway crossing projects, in which case the Federal share is that provided in section 120(d) of title 23, United States Code. Any remaining unobligated balance of contract authority for carrying out section 402 with respect to highway-related safety programs will remain available for obligation, and will lapse not later than September 30, 1984. Highway safety funds are apportioned to the States according to a formula based on population and road mileage.

This section also provides that each State shall expend 35 percent of the funds apportioned to it for highway safety improvements for rail grade crossing projects authorized by section 203 of the 1973 Highway Safety Act. This minimum percentage of use of such funds may be waived by the Secretary of Transportation upon

application of the State if the Secretary finds that the State has demonstrated that it has other safety projects of a higher priority.

One-half of one percent of the highway safety funds is made available to the Secretary of the Interior of carrying out section 151 safety activities on Indian reservations. The section 151 funds are available as if they were primary funds except where inconsistent with the purposes of this section. In addition, primary system, urban program and rural program funds may be used for all consolidated safety projects.

The States are required to evaluate the results of the highway safety improvement program and to report annually to the Secretary. The Secretary is required to report annually to the Congress. The State's existing safety reports to the Secretary of Transportation under section 203 of the Highway Safety Act of 1973 for rail-highway crossings, the section 151 report on pavement markings and the section 152 report on hazard eliminations are repealed, as the comparable reports are now included under the one consolidated report provided by subsection (a), which contains a new section 151(h) on highway safety improvement program reports.

INNOVATIVE TECHNOLOGIES

House bill

No comparable provision.

Senate amendment

Authorizes an increase in the Federal share when a State uses innovative technologies in constructing a road or if an overlay is placed on an existing roadway. Regardless of which highway category a project is proposed for, the Federal share would be increased by 5 percent when recycled materials or commercially available additives are used in pavements.

RELOCATION OF UTILITY FACILITIES

House bill

No comparable provision.

Senate amendment

Amends the definition of "construction" to make clear that the relocation of utilities for safety purposes is eligible work for Federal reimbursement under title 23 of the United States Code.

Amends 23 U.S.C. 23, Relocation of Utility Facilities, to permit payment for utility relocations on any Federal-aid system or under any Federal-aid program and to provide that the Secretary may waive certain provisions of 23 U.S.C. 123(a) to allow Federal participation in costs incurred by the State in relocating utilities for purposes of eliminating hazards, then he determines that such a waiver facilitates the State's safety improvement program.

REPORTS

House bill

No comparable provision.

Senate amendment

Codifies the highway needs report submitted to the Congress every 2 years pursuant to section 3 of Public Law 89–139 and section 17 of the Federal-Aid Highway Act of 1968.

DEFINITION

House bill

No comparable provision.

Senate amendment

Changes the definition of "construction" to permit Federal participation in State highway agency audit costs incurred in performing Federal-aid project related audits which directly benefit the Federal-aid highway program.

DESIGN AND CONSTRUCTION QUALITY ASSURANCE STUDY

House bill

No comparable provision.

Senate amendment

Requests the Secretary of Transportation, the National Bureau of Standards, the American Society for Testing and Materials, and any other appropriate organizations to provide information on training and accreditation needs of testing facilities.

ACCELERATION OF BRIDGE PROJECTS

House bill

No comparable provision.

Senate amendment

Repeals the acceleration of bridge project programs which provides special funding for the U.S. Grant Bridge in Kentucky and the East Huntington Bridge in West Virgina. Funds authorized for this program would remain available for obligation for two years under the same conditions which existed prior to the repeal of this section.

TERRITORIAL HIGHWAY PROGRAM

House bill

Does not contain separate authorizations for the territorial highways, but does include the Virgin Islands, Guam, and American Samoa as one State in the primary system apportionment and provides a minimum of ½ percent of the total apportionment to those territories collectively.

Senate amendment

Repeals section 215 (Territorial Highway Program) of title 23, United States Code.

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Provides that outstanding funds authorized or appropriated for carrying out repealed section 215 shall remain available for obligation under the conditions applicable prior to such repeal.

ALASKA HIGHWAY

House bill

No comparable provision.

Senate amendment

Amends section 218(a) of title 23, United States Code, to allow the State of Alaska to use its apportioned Federal-aid highway funds on the continued construction of the portions of the Alaska highway located in Canada.

RESOLUTION ON HIGHWAY TRUST FUND OBLIGATIONS

House bill

No comparable provision.

Senate amendment

States the sense of the Congress that the administrators of the Federal Highway Trust Fund shall act to expedite highway program obligations, to the maximum extent that such can be accelerated under law.

WITHDRAWAL AND DESIGNATION AT CERTAIN ROUTES ON THE INTERSTATE SYSTEM

House bill

No comparable provision.

Senate amendment

Requires the Secretary of Transportation to approve the withdrawal from the Interstate System of a portion of Interstate Routes 95 and 695 in New Jersey. The Secretary is further authorized and directed to designate a portion of the New Jersey and Pennsylvania Turnpikes as part of the Interstate System.

TITLE II—HIGHWAY SAFETY ACT OF 1982

SHORT TITLE

House bill

This section provides that this title may be cited as the "Highway Safety Act of 1982."

Senate amendment

No comparable provision.

HIGHWAY SAFETY AUTHORIZATIONS

House bill

This section provides authorizations for bridge replacement and rehabilitation of $1.5 billion (minus the amount authorized by the

Federal-Aid Highway Act of 1982) for FY 1983, $1.6 billion for FY 1984, $1.7 billion for FY 1985, and $2.1 billion for FY 1986. Projects for the elimination of hazards under section 152 of title 23, U.S. Code, are authorized at $200 million annually (reduced in FY 1985 by the amount authorized by the Federal-Aid Highway Act of 1982).

Senate amendment

Provides authorizations for bridge replacement and rehabilitation of $1.7 billion for each of FY 1983 and FY 1984, $1.8 billion for FY 1985, and $2 billion for each of FY 1986 and FY 1987. The hazard elimination program is repealed, but is covered by the new highway safety improvement program.

HIGHWAY SAFETY

House bill

This section provides authorizations for appropriations and limitations on the obligation of highway safety funds. Subsection (a)(1) provides authorizations for appropriations out of the Highway Trust Fund for carrying out the highway safety programs under section 402, title 23, U.S. Code, by the National Highway Traffic Safety Administration in the amount of $100 million per fiscal year for each of fiscal years 1985 and 1986.

Subsection (a)(2) provides that, out of the funds authorized to be appropriated under subsection (a)(1) for each of fiscal years 1985 and 1986, not less than $20 million per fiscal year shall be obligated under section 402 of title 23, U.S. Code, for enforcing the national maximum speed limit established by section 154 of title 23.

Subsection (a)(3) requires that each State shall expend in each fiscal year not less than two percent of the amount apportioned to it for the fiscal year of the sums authorized by subsection (a)(1) for highway safety programs which encourage the use of safety belts by drivers and passengers of motor vehicles.

Subsection (b)(1) provides that, notwithstanding any other provision of law, the total of all obligations for highway safety programs carried out by the National Highway Traffic Safety Administration under section 402 of title 23, U.S. Code, shall not exceed $100,000,000 for each of fiscal years 1983 through 1986. The total of all obligations for the highway safety programs carried out by the Federal Highway Administration under section 402 of title 23, U.S. Code, shall not exceed $10 million per fiscal year for each of fiscal years 1983 through 1986.

Subsection (b)(2) amends section 1107(b) of the Omnibus Budget Reconciliation Act of 1981 to strike obligational amounts which do not conform to those provided by subsection (b)(1).

Subsection (c) amends section 202 of the Highway Safety Act of 1978 to extend: (1) the $31 million authorization per fiscal year for section 403 of title 23, U.S. Code, relating to highway safety research and development through fiscal years 1985 and 1986; (2) the $10 million authorization per fiscal year for carrying out section 402 of title 23, U.S. Code, highway safety programs by the Federal Highway Administration, through fiscal years 1985 and 1986; and (3) the $13 million authorization per fiscal year for carrying out

sections 307(a) and 403 of title 23, U.S. Code, relating to highway safety research and development by the Federal Highway Administration through fiscal year 1985 and 1986.

Subsection (d) rescinds $9.6 million of obligational authority for carrying out highway safety programs under section 402 by the Federal Highway Administration.

Senate amendment

Extends the authorization of $13 million per fiscal year for carrying out sections 307(a) and 403 of title 23 by the Federal Highway Administration through FY 1988. Extends the authorization of $100 million per fiscal year for carrying out section 402 of title 23 by the National Highway Traffic Safety Administration through FY 1988. Extends the authorization of $31 million per fiscal year for carrying out section 403 of title 23 by NHTSA through FY 1988.

MAXIMUM SPEED LIMIT

House bill

This section amends section 154(a) of title 23, U.S. Code, to prohibit the Secretary from approving any project under section 106 of the title in any State whose laws do not constitute a substantial deferrent to violations of the national maximum speed limit of its highways.

Senate amendment

No comparable provision.

RAIL-HIGHWAY CROSSINGS

House bill

This section provides annual authorizations of $190 million to carry out projects for the elimination of hazards at rail-highway crossings under section 203 of the Federal-Aid Highway Act of 1973.

Senate amendment

Does not provide a separate authorization for projects under section 203 of the Federal-Aid Highway Act of 1973, but requires that each State spend 35 percent of its apportionment of funds under the highway safety improvement program for these projects unless the State requests a waiver and the Secretary finds that other safety projects are of a higher priority.

PUBLIC INFORMATION

House bill

This section provides contract authority for funds authorized for highway safety and information under section 209 of the Highway Safety Act of 1978.

Senate amendment

No comparable provision.

SAFETY PERFORMANCE REPORTS

House bill

This section requires the Secretary to prepare, publish, and submit to Congress a report on the highway safety performance of each state in the preceding calendar year. This report is to be submitted to Congress not later than December 31 of each year beginning after December 31, 1982. This report is to provide data on highway fatalities and injuries and motor vehicle accidents involving fatalities and injuries and travel in urban areas of each state for each system of highways and in rural areas of such state for each system of highways.

Senate amendment

No comparable provision.

ANNUAL APPORTIONMENT FORMULA

House bill

This section provides that the Virgin Islands, Guam, and American Samoa shall be treated the same as the States for purposes of the apportionment formula under the section 402 State and Community Highway Safety Program, guaranteeing each a minimum apportionment of one-half of one percent.

Senate amendment

Eliminates the definition of "State" which includes the Virgin Islands, Guam, and American Samoa for purposes of chapter 4 of title 23, United States Code.

MINIMUM DRINKING AGE

House bill

Under this section, the Congress strongly encourages each State to prohibit the sale of alcoholic beverages to persons who are less than 21 years of age.

Senate amendment

No comparable provision.

TITLE III—FEDERAL PUBLIC TRANSPORTATION ACT OF 1982

SHORT TITLE

House bill

This section provides that this title may be cited as the "Federal Public Transportation Act of 1982."

Senate amendment

Same as the House bill.

AUTHORIZATIONS

House bill

This section sets forth a new section 21 of the Urban Mass Transportation Act. Section 21 revises and extends the funding authorizations to carry out the section 3 discretionary capital grant program, the section 4(i) innovative methods and techniques grant program, the section 6 research and development program, the section 8 planning program, the section 10 training grant program, the section 11(a) university research grant program, the section 16(b) program to meet the special needs of the elderly and handicapped, the section 18 formula grant program for other than urbanized areas, the section 20 human resource grant program, and for administrative expenses. Section 21 also provides funding authorizations for a newly created section 9 block grant program.

Section 21(a)(1) creates a unitary authorization for fiscal years 1983 to 1986, inclusive, to carry out the provisions of sections 3, 4(i), 8, 9, 16(b) and 18 of the Urban Mass Transportation Act. These authorizations total $16.1 billion for fiscal years 1983 to 1986, inclusive.

Section 21(a)(2) provides that an amount equal to 25 percent of the amount authorized to be appropriated pursuant to section 21(a)(1) shall be available from the transit account of the Highway Trust Fund to fund programs under sections 3, 4(i), 8 and 16(b) of the Urban Mass Transportation Act.

Sums provided from the transit account of the Highway Trust Fund would be expended on the basis of contract authority. The remaining 75 percent of the unitary authorization is subject to the regular appropriations process and is to be apportioned by formula as provided in new sections 21(a)(3) and 9(a).

Section 21(a)(3) stipulates that, of the amounts appropriated out of the general fund under section 21(a) for each fiscal year, 2.93 percent shall be available for the section 18 formula grant program for other than urbanized areas.

Section 21(b) sets forth authorizations of $90,000,000 for highways for the various research and development programs authorized under sections 6, 10, 11(a) and 20 of the Urban Mass Transportation Act and for administrative expenses. Funds appropriated pursuant to section 21(b) for the section 6 research and development program shall remain available until expended. All other funds appropriated pursuant to section 21(b) shall remain available during the fiscal year for which appropriated.

This section 302(a) also repeals the existing sections 21 and 22 of the Urban Mass Transportation Act. Section 21 currently authorizes grants for the terminal development program. The existing section 22 authorizes grants for intercity bus service.

Senate amendment

A three year comprehensive authorization for the mass transit program is established at $3.13 billion per year for fiscal year 1983, 1984, 1985 which includes funding for all programs except interstate transfer. From the funds appropriated under this authorization up to seventy-five million dollars is authorized for appropri-

ations for research, development, and administrative expenses. From the remainder of the total amount appropriated:

(a) 24 percent of the funds must be made available for discretionary grants under Section 3 (until 1985 when it shall be 10 percent).

(b) 67.25 percent of the funds must be made available for formula grants for urbanized areas with populations greater than 200,000 (until 1985 when it shall be 79.63 percent).

(c) 6.5 percent of the funds must be made available for formula grants for urbanized areas with populations of less than 200,000 but greater than 50,000 (until 1985 when it shall be 7.7 percent).

(d) 2.25 percent of the funds must be made available for grants to urbanized areas of less than 50,000 in population (until 1985 when it shall be 2.67 percent).

Fifty million dollars will be available for planning grants made under the authority of Section 8. These grants will be funded from the funds available for Section 3. Furthermore, urbanized areas are allowed to decide to use block grant funds for additional planning activities.

An overall authorization of $3.495 billion will cap total appropriations for all transit programs including all titles of this Act, the Interstate Transfer program, and the so-called Stark-Harris funding for the Washington, D.C. Metro System.

BLOCK GRANTS

House bill

This section creates a block grant program for projects in urbanized areas. Recipients of these funds would be provided funds through an annual grant agreement instead of through project-by-project grants.

The program created by this section would be authorized in section 9 of the Urban Mass Transportation Act. Section 9(a) stipulates that 88.34 percent of the amounts appropriated pursuant to the section 21(a)(1) unitary authorization from the general fund of the Treasury shall be available to urbanized areas with populations of 200,000 or more and that 8.73 percent shall be available to urbanized areas with populations of less than 200,000.

As provided in section 9(b)(1), the block grant assistance for urbanized areas with populations less than 200,000 would be delivered half on the basis of the ratio which the population of each such urbanized area bears to the total population of all such urbanized areas and half on the basis of a ratio for each such urbanized area determined by population weighted by a factor of density. The latest available periodic Federal census would be used as the source for these calculations.

Section 9(b)(2) sets forth a series of factors upon which the 8.34 percent authorized for urbanized areas with populations of 200,000 or more would be delivered.

50.64 percent of the funds appropriated pursuant to the unitary authorization and from the general fund of the Treasury shall be made available to the larger urbanized areas on the basis of one-fourth population, one-fourth population weighted by a factor of density, one-half bus revenue vehicle mile formula.

28.6 percent of the funds appropriated pursuant to the unitary authorization and from the general fund of the Treasury shall be made available to the larger urbanized areas, 70 percent on the basis of fixed guideway revenue vehicle miles and 30 percent on the basis of fixed guideway route miles.

6.5 percent of the funds appropriated pursuant to the unitary authorization and from the general fund of the Treasury shall be made available to the larger urbanized areas on the basis of an incentive formula based on the operating efficiency of the bus systems in larger urbanized areas.

The remaining 2.6 percent appropriated pursuant to the unitary authorization and from the general fund of the Treasury shall be made available to the larger urbanized areas on the basis of an incentive formula based on the operating efficiency of the rail systems in larger urbanized areas.

The concept of vehicles directly serving a large urbanized area has been clarified so that service outside of an urbanized area which brings passengers into the urbanized area and is not otherwise included in the formula apportionment would be included in that urbanized area's apportionment.

Section 9(c) provides that the governor shall receive and distribute fairly and equitably block grant funds for urbanized areas of less than 200,000. It also provides for the selection of designated recipients to receive and dispense funds for urbanized areas of 200,000 or more.

Section 9(d) sets forth a maximum 80 percent Federal share for capital projects and a maximum 50 percent Federal share of operating deficits for the payment of operating expenses. However, the Federal share for capital projects may increase to as much as 95 percent under the provisions of an incentive mechanism provided in section 9(h).

Section 9(e)(1) requires block grant recipients to comply with the section 3(e) private enterprise participation provision, the section 3(f) charter bus provision, the section 3(g) school bus provision, section 8 planning provisions, section 13 labor protection and standards provisions, the section 16 provisions to meet special needs of the elderly and the handicapped, and section 19 nondiscrimination provisions of the Urban Mass Transportation Act.

Section 9(e)(1) also applies the definitions set forth in section 12(c) of the Urban Mass Transportation Act to all section 9 block grants and authorizes the Secretary to make advance or progress payments on account of any grant or contract made pursuant to section 9. Furthermore, section 9(e)(1) would ensure that no requirements under the Urban Mass Transportation Act, except for those requirements expressly specified in section 9, would be applicable to the section 9 program. Cross-cutting Federal requirements, such as title VI of the Civil Rights Act of 1964, the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970, the National Flood Insurance Act of 1968, and the National Environmental Policy Act of 1969, would not be changed by the section 9 program.

In addition to the section 9(e)(1) requirements and as a precondition to receiving section 9 assistance, each block grant recipient must, in compliance with section 9(e)(2), certify annually: (A) legal,

financial, and technical capacity to carry out the proposed program; (B) continuing control over the use of facilities and equipment and maintenance of those facilities and equipment in operational order; (C) a competitive procurement process; (D) compliance with the Buy America provision of the Surface Transportation Act of 1978; (E) compliance with specific public hearing requirements; (F) compliance with the half-fare requirements for elderly and handicapped persons in accordance with section 5(m) of the Urban Mass Transportation Act; and (G) inclusion of medicare cardholders among the persons protected by the section 5(m) half-fare requirements.

Section 9(f) stipulates that the Secretary must accept a recipient's section 9(a)(2) certification before he can award a section 9 grant to that recipient. Section (9(f) also permits the Secretary to rescind his acceptance of a section 9(e)(2) certification if he finds it necessary to do so.

Section 9(g)(1) extends the reporting requirements of section 15 of the Urban Mass Transportation Act to the recipients of grants under section 9. Section 15 currently requires recipients of section 5 urban formula grants to provide UMTA with certain public mass transportation financial and operating information using a uniform system.

Section 9(g)(2) sets forth the audit requirements for block grant recipients. The provision would require each recipient to submit to the Secretary an annual, independently conducted audit. This audit would indicate to the Secretary whether the recipient has carried out and can continue to carry out its activities in a timely manner and in compliance with the grant agreement and the applicable provisions of the Urban Mass Transportation Act, including the requirement to maintain facilities and equipment purchased with Federal funds. Section 9(g)(2) authorizes the Secretary to make adjustments in existing or future section 9 grants if he determines on the basis of the audit that such an adjustment is justified.

Section 9(h)(1) stipulates that section 9 grant recipients may use those grants to meet either capital or operating expenses. However, section 9(h)(2)A) limits the amounts of section 9 funds that a recipient may use as operating assistance the lesser of either the amount of funds apportioned to it under the first three tiers of section 5 of the Urban Mass Transportation Act for operating assistance in fiscal year 1982 or the amount allocated from those tiers for operating assistance in fiscal year 1982. Furthermore, any recipient located in an urbanized area which was an urbanized area based upon 1970 census data and which had total maintenance expenditures in fiscal year 1982 of more than twice its section 5 operating assistance apportionment or allocation from fiscal year 1982, is required by section 9(h)(2)(A) to expend that portion of its section 9 apportionment or allocation which it expends for other than capital purposes on maintenance expenses. If maintenance expenditures for the recipient in such urbanized areas were less than twice its section 5 operating assistance apportionment or allocation, any such recipient who elects to expend funds for other than construction purposes is required by section 9(h)(2)(A) to expend such funds only for maintenance until the expenditures equal an amount equal to at least half of the total expenditure by such recipient for mainte-

nance in fiscal year 1982. Any recipient in an urbanized area which became an urbanized area based upon the 1980 census is required to give priority to its maintenance expenses.

Section 9(h)(2)(B) creates an incentive mechanism to encourage recipients to use section 9 operating funds for capital expenses. This provision raises the Federal share for any construction project or parts thereof paid for with funds available for operating and maintenance assistance from the 80 percent share specified in section 9(d) to 95 percent of the cost of the project or part thereof. In addition, if in any given fiscal year, a recipient uses all of its operating and maintenance funds on construction projects, the Federal share paid for with section 9 funds available for capital only or with section 3 funds shall be raised from the 80 percent share specified in section 9(d) to 90 percent. Finally, if in any given fiscal year, a recipient uses more than half but less than all of the funds available for operating and maintenance assistance on construction projects, the Federal share paid for with section 9 funds available for capital only or with section 3 funds shall be raised to 85 percent.

Section 9(i) provides that section 9 funds will be available to the urbanized areas for a period of four years.

The House bill amends section 3(a)(1)B) of the Urban Mass Transportation Act to ensure that routine bus and bus-related needs are met out of the section 9 block grant.

A technical amendment is made to section 4(a) of the Urban Mass Transportation Act to conform with the section 9(h)(B) incentive mechanism.

The House bill amends the section 3 discretionary capital grant program to require that recipients of capital grants have the technical and financial capability to maintain facilities and equipment that are purchased with Federal funds.

The House bill provides that no urbanized area shall receive less in FY 1983 under the new section 9 than it received under section 5 for FY 1982 and authorized $2 million for each of fiscal years 1983 through 1986 to carry out this section.

A final provision requires the Secretary to apportion the full amount of funds authorized for operating assistance for FY 1983 within 30 days of enactment.

Senate amendment

The legislation authorizes a new block grant program to replace the formula grants now made under section 5 of the Urban Mass Transportation of 1964. The new section 9 of the Urban Mass Transportation of 1964 provides funds to urbanized areas to finance the planning acquisition, construction, improvement, and operating costs of facilities, equipment, and associated maintenance activities in mass transportation services. The inclusion of associated maintenance activities is the only change in eligible expenses from the current section 5 program. For purposes of this section, associated maintenance activities means equipment and materials each of which costs at least one percent of the fair market value of the bus or rail car for which the equipment is to be used.

Grants made to urbanized areas of greater than 200,000 population under section 9 will be made on the basis of a formula that

divides 68 percent of the available funds on the basis of each area's total bus revenue miles, each area's population, and each area's population weighted by a factor of density. The bus revenue mile factor will be used to distribute 50 percent of the funds. The population factor and the density factor will each be used to distribute 25 percent of the funds. Of this 68 percent distributed by bus related factors, three fourths of the funds are for urbanized areas over 1 million population and one fourth is reserved for areas of less than 1 million population.

The remaining 32 percent of the available funds will be distributed to areas that operate fixed guideway rail service. The funds will be distributed on the basis of 60 percent of an area's fixed guideway vehicle miles and 40 percent of an area's fixed guideway route miles. Each urbanized area with at least 750,000 population which provides commuter rail service is guranteed at least 0.75 percent of the rail funds. Service and route miles provided in a state adjacent to the state or state in which the urbanized area is located and passengers served shall be attributed to the public body which contracts for the service as if the public body was an urbanized area of 200,000 or more. In addition ferry boat operations are included in fixed guideway vehicle miles and route miles.

For urbanized areas of less than 200,000 population that receive a section 9 grant, the formula will distribute funds on the basis of population and population weighted by density. Each factor will count equally.

The federal share of the cost of any project funded under section 9 is limited to 80% of the cost of the project for capital projects. The federal share of operating costs is limited to 50% of the cost.

With regard to operating subsidies, an area may in general not spend more than 80% of its 1982 operating apportionment if it has a population of more than 1 million, 90% of its 1982 operating apportionment if it has a population of more than 200,000 but less than 1 million, 95% of its 1982 operating apportionment if it has a population of less than 200,000. Where an area first became eligible for an apportionment in 1980, that area cannot use more than 40% of its apportionment for operating costs.

An area may however, transfer funds for operating expenses up to its 1982 operating apportionment if the area:

(a) certifies that it has provided public notice of its intent to use additional operating funds and that it will lose some funds as described in (c) below.

(b) certifies that it has a three year plan which demonstrates how the area will operate its transit system without transferring capital funds in fiscal year 1986.

(c) agrees to forfeit one dollar for every two dollars transferred to operating expense use. (These forfeited amounts are used for discretionary grants made by the Secretary.)

The Secretary of Transportation is prohibited from permitting an area to use the transfer option after September 30, 1984.

Funds available for discretionary grants due to a forfeiture under the transfer option shall be made available on a priority basis to areas that did not receive as large a block grant under section 9 as was received under section 5 in 1982. Discretionary grants

will be available to recipients under the same local matching share requirements for section 3 grants.

Sums apportioned under section 9 for areas of less than 200,000 in population are made available to the Governor for expenditure in accordance with the planning process required under section 8.

Funds made available to the Governor may be transferred to areas eligible under section 18 of the Act or to areas with populations of less than 300,000 in population. The Governor may make such transfers only after consulting with local officials.

Funds apportioned under this section shall remain available for three years. Funds which remain unobligated at the end of that period will be reapportioned the following year.

To receive a grant under section 9 a recipient must comply with title VI of the Civil Rights Act, subsections (e), (f) and (g) of section 3 of this Act, as well as sections 8, 13, 16, and 19 of this Act. The recipient must also submit a statement of activities to be funded and the certifications required by the Act.

The recipient must certify that it has the legal, financial and technical capacity to carry out the proposed projects; has the authority to apply for the grant; will conform to the Uniform Relocation Assistance and Land Acquisition Policies Act of 1970 and section 7 of this Act; will have continuing control over the equipment purchased and will maintain the facilities and equipment; will use competitive procurement procedures complying with section 401 of PL 95–599; will comply with National Flood Insurance Act of 1968; has compiled with section 12; will meet the local match requirements of section 4; and that it has a locally developed process for soliciting and considering public comment prior to raising fares for reducing services.

Each recipient must solicit public comment by making public the amount of funds available, the activities the recipient proposes to undertake with such funds, and publish a proposed statement in a manner which will provide citizens and elected officials an opportunity to comment on the proposed program. The program must be developed in consultation with all interested parties including private transportation providers. Recipients will also hold at least one public hearing to receive comment on the proposed program.

The Secretary may issue regulations which permit recipients to assume the responsibilities of compliance with the National Environmental Policy Act. However, these regulations must be developed in consultation with the Council on Environmental Quality. To release funds under this section, the recipient must submit the environmental certification 15 days in advance and the Secretary must accept the certification. The environmental certification by the recipient must be in a form acceptable to the Secretary, be executed by the chief executive officer, specify that the recipient has carried out its responsibilities, and that the certifying officer consents to assume the status of a responsible federal official under NEPA and he consent to accept the jurisdiction of federal courts for the purposes of enforcement of his responsibilities as such an official.

The Secretary shall not approve a grant unless he finds that the project is part of an approved program of projects required by the section 8 planning process.

The Secretary shall enter into an annual projects agreement with the Governor or the designated recipient of each urbanized area as soon as practicable after the application is submitted.

Each recipient shall submit to the Secretary an annual report concerning the use of the funds and how such use compares to the statement submitted in the original application. The Secretary shall require annual independent reviews and audits as deemed appropriate by the Secretary.

The Secretary shall determine whether the recipients' activities have been carried out in a timely and effective manner and that the recipient has a continuing capacity to carry out those activities. The Secretary shall also determine whether the recipient has carried out its activities and certifications in accordance with this Act and applicable laws.

Not less than every three years the Secretary shall preform a full review and evaluation of the performance of the recipient in carrying out its program. The Secretary shall determine if the local recipient's program has been in compliance with statutory and administrative requirements and the extent to which the actual program was consistent with the proposed statement and the section 8 planning process.

The Secretary may make adjustments in annual grants on the basis of his findings and may reduce or withdraw such assistance or take other appropriate action in accordance with the required reviews and audits.

Section 1001 of title 18 of the United States Code applies to any submission under this section. If any false or fraudulent statements are made in connection with a submission, the Secretary may terminate and seek reimbursement of the affected grant or grants.

A recipient may request the Secretary to approve its procurement system. If the Secretary approves the local procurement system as consistent with the Act, the Secretary shall approve the use of that system for all procurements financed under this Act.

In making discretionary grants, the Secretary is required to take into account the adverse effects of decreased commuter rail service resulting from railroad bankruptcy.

The current section 15 of UMTA reporting requirements are amended to also include grants under the new section 9.

Sections 21 and 22 of the Act are repealed.

LETTER OF INTENT

House bill

This section requires the Secretary to notify, in writing, the House Committee on Public Works and Transportation and the Senate Committee on Banking, Housing, and Urban Affairs at least thirty days prior to the issuance of a letter of intent to obligate future Appropriation Act funds for a project. Section 304(b) is a technical amendment to conform with the change in the funding source for the section 3 discretionary capital grant program.

Senate amendment

A requirement is added that the Secretary must inform the Committee on Public Works and Transportation of the House of Repre-

sentatives and the Committee on Banking, Housing and Urban Affairs of the Senate 30 days prior to the issuance of a letter of intent.

The Secretary shall give priority to grant requests to fund programs included in letters of intent or full funding contracts issued prior to the enactment of this Act. Terms and conditions of such letters of intent and full funding contracts may not be altered unless agreed to by all parties. The Secretary is also prohibited from taking any direct or indirect action regarding future available budget authority except by the letter of intent procedure in the statute. This prevents for example any further use of so-called letters of commitment.

Conference substitute

RESEARCH AND TRAINING GRANT

House bill

Extends the funding authorizations to carry out the section 11(b) university operating grants. The House bill authorizes $10 million in each fiscal year from 1983 to 1986, inclusive.

Removes a restriction in the existing Urban Mass Transportation Act that required the 50 percent local match for university operating projects to come from State funds. This amendment permits the local share to consist of any non-Federal funds.

Senate amendment

Strikes out section 4(d) the Urban Mass Transportation Act of 1964 which authorizes funding for university operating grants.

PROCUREMENT FACTORS

House bill

Amends section 12(b)(2) of the Urban Mass Transportation Act to permit contracts for the purchase of rolling stock to be awarded based on a competitive procurement process instead of performance, standardization, life-cycle costs, and other factors as is presently permitted by section 12(b)(2). The Secretary is required to report to Congress within a year on revisions required to ensure fair and competitive procurement procedures.

Senate amendment

No comparable provision.

Conference substitute

DEFINITION OF FIXED GUIDEWAY

House bill

Revises the definition of "fixed guideway" in section 12(c)(2) of the Urban Mass Transportation Act of 1964 to clarify that rails that are used exclusively by transit vehicles operating in mixed traffic and electric catenary systems for trolley buses are to be included in the section 9(a)(2) formula apportionments.

Senate amendment

The definition of fixed guideway systems is amended to include public transportation facilities which utilize a right-of-way rail usable by other forms of transportation and the definition of construction is expanded to include bus rehabilitation projects which extend the economic life of a bus 5 years or more.

Conference substitute

Uses House definition of fixed guideway and Senate definition of construction.

ADVERTISING FOR BIDS

House bill

Repeals the current bus seat specification provision in section 12 of the Urban Mass Transportation Act.

Senate amendment

No comparable provision.

Conference substitute

PERFORMANCE REPORTS

House bill

Requires the Secretary to report to Congress every two years on the ability of the nation's transit systems to provide transportation and on the general condition of those transit systems.

Senate amendment

No comparable provision.

Conference substitute

CONSTRUCTION CONDITION

House bill

Provides that any new grants or grant amendments to the Metropolitan Atlanta Rapid Transit Authority (MARTA) must meet a legislative requirement that the north and south lines of the MARTA system will be constructed in equivalent segment lengths that are open to operations at approximately the same time. This section shall apply until priorities different from those set forth in the provision are adopted after September 30, 1983, by a valid act of the Georgia General Assembly and by a valid resolution of the Board of the Metropolitan Atlanta Rapid Transit Authority.

Senate amendment

No comparable provision.

Conference substitute

LOAN REPAYMENT

House bill

Would excuse the Massachusetts Bay Transportation Authority from repaying the Federal Government for 80 percent of the balance of transit funds that were borrowed to acquire certain rights-of-way.

The Secretary may convert the remaining 20 percent of the loans to a grant. The Secretary would have the further discretion to waive the local share requirement for this grant if the Authority agreed to complete transit projects worth a certain amount without using Federal funds. These State or local funds would have to be used for section 3 capital projects on a schedule acceptable to the Secretary.

Senate amendment

No comparable provision.

Conference substitute

ADVANCE ACQUISITION OF RIGHTS-OF-WAY

House bill

This section amends section 3 of the Urban Mass Transportation Act to authorize financial assistance for the acquisition of rights-of-way, and relocation, for fixed guideway corridor development for projects in advanced stages of detailed alternatives analysis or preliminary engineering.

Senate amendment

No comparable provision.

Conference substitute

FEASIBILITY STUDY

House bill

Authorizes the Secretary to make a grant to the Massachusetts Bay Transportation Authority for a feasibility study of the possibility of replacing any or all of the three electric trolley bus lines in Cambridge, Massachusetts, with the electric bus technology being developed in Santa Barbara, California. $500,000 is authorized from the amount made available by section 21(a)(2) of the Urban Mass Transportation Act for this study.

Senate amendment

No comparable provision.

Conference substitute

STUDY OF LONG-TERM LEVERAGE FINANCING

House bill

Provides that the Secretary shall study leverage financing mechanisms under which the United States would assure a flow of Federal funds under long-term contracts with local or State transit authorities for use in raising further capital assistance from State or local government or private sector sources.

Senate amendment

No comparable provision.

Conference substitute

CHANGES TO SECTION 3 CAPITAL GRANT PROGRAM

House bill

No comparable provision.

Senate amendment

Section 4(a) of the Urban Mass Transportation Act of 1964 is amended to require a 40 percent local match for new fixed guideway projects or for extensions to an existing system funded with discretionary grant. Other discretionary projects funded by section 3 will require a 30 percent local match. These higher local matching requirements will allow the more limited Federal discretionary funds to support those projects which have high local priority. However, these changes will not affect previous commitments made prior to this Act including those to the Washington, D.C. system.

URBAN MASS TRANSIT PROGRAM

House bill

No comparable provision.

Senate amendment

The bill clarifies that apportionments made pursuant to section 5 for fiscal year 1975 shall be deemed to have lapsed on September 30, 1977 and apportionments for fiscal year 1976 shall be deemed to have lapsed on September 30, 1978. This clarification will avoid any confusion created by the transition quarter. Moreover, sums apportioned pursuant to section 5 shall remain available as initially apportioned to the urbanized areas for expenditure in accordance with the provisions of this section until September 30, 1985.

AMENDMENTS TO FORMULA GRANTS FOR NONURBANIZED AREAS

House bill

No comparable provision.

Section 18 of UMTA is amended to conform with the balance of the bill with lapsed funds remaining unobligated after September 30, 1982 reallocated under the requirements of this Act.

12-915 0 - 82 - 11

Conference substitute

SPECIAL NEEDS OF THE ELDERLY AND HANDICAPPED

House bill

No comparable provision.

Senate amendment

The authorization for planning and designing of mass transportation facilities to meet the special needs of the elderly and the handicapped is increased from 2 percent to 3.5 percent of the funds available for discretionary grants under section 3.

Conference substitute

WATERBORNE TRANSPORTATION DEMONSTRATION PROJECT

House bill

No comparable provision.

Senate amendment

The authorization for Waterborne Transportation Demonstration Act is de-authorized as of September 30, 1982.

Conference substitute

TRANSIT CAPITAL INFRASTRUCTURE PROGRAM

House bill

No comparable provision.

Senate amendment

A new capital infrastructure program is authorized to be financed by revenues allocated to transit by an additional tax on gasoline. Authorized at a level of $550 million for 1983 and $1.1 billion for 1984 and 1985, the program is a discretionary fund administered by the Secretary of Transportation within the requirements of the section 3 program.

In addition to the requirements of section 3, grants under this program will be limited to: The acquisition, rehabilitation, and replacement of rolling stock, the construction, rehabilitation, and modernization of commuter rail and fixed guideway systems, the construction, rehabilitation, modernization, and replacement of bus facilities and related equipment, and other projects.

Although this program is primarily a transit program, if a state will not receive at least .5 percent of the funds available under this title. The Secretary is authorized to make grants for highway projects eligible under Title 23 of the United States Code in that state, including the acquisition of railroad rights of way. The Secretary shall not approve grants for highway projects in a state to the extent that grants used for such projects and for transit related projects in such state would exceed one half of one percent of the funds available under this section.

The new infrastructure program will expire on September 30, 1984. After that date the proceeds of the gas tax will be used to fund section 3 of the UMTA Act.

Conference substitute

TITLE IV.—BUY AMERICA

House bill

The House bill provides that the Secretary shall not obligate funds authorized by this Act or any Act amended by this Act or funds authorized to carry out this Act, title 23, the Urban Mass Transportation Act of 1964, or the Surface Transportation Assistance Act of 1978, and administered by DOT unless steel, cement, and manufactured products used in the project are produced in the United States. This provision shall not apply where the Secretary determines that the products are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality.

Another exception to the provision is made for the procurement of buses, other rolling stock, and certain support equipment, in which the manufactured products may be of foreign origin to the extent of 50 percent of the cost of all components. Final assembly of the vehicles must take place in the United States.

In calculating component costs, labor costs involved in final assembly shall not be included.

The Secretary shall not impose limitations or conditions on assistance under any of the Acts cited above, which restricts any State from imposing more stringent requirements than are imposed by this section or restricts any recipient from complying with such State requirements.

COMMERCIAL MOTOR VEHICLE SAFETY DEFINITIONS

House bill

No comparable provision.

Senate amendment

This section defines certain terms used in Title IV (except where the context otherwise requires).

One of the definitions is "commerce". At present, the Secretary of Transportation is empowered to regulate commercial motor vehicle safety primarily with regard to vehicles that cross State lines or national boundaries or perform the intrastate portion of a continuous interstate movement. This class of vehicles is operated primarily by the approximately 17,000 carriers who must obtain operating authority from the Interstate Commerce Commission (ICC) plus the approximately 140,000 private and exempt interstate carriers. This definition would authorize the Secretary to promulgate regulations regarding the safety of commercial motor vehicle operations both in and affecting interstate and foreign commerce.

The definition of "commercial motor vehicle" includes vehicles used on the highways in commerce which are (1) 10,000 pounds gross vehicle weight rating or more or (2) designed to transport

more than 10 passengers, including the driver, or (3) used in the transportation of hazardous materials (found to be hazardous by the Secretary for purposes of the Hazardous Materials Transportation Act (49 U.S.C. 1801 et seq.). All vehicles designed to transport 10 or more persons would also be covered to assure the highest levels of safety in this particularly important transportation area. Also vehicles transporting hazardous materials would be covered because of the potentially greater safety dangers in this area.

The definition of "employee" includes any individual other than an employer who is employed by a commercial motor carrier and directly affects commercial motor vehicle safety, such as (a) a driver of a commercial motor vehicle (including for purposes of this title any independent contractor while in the course of personally operating a commercial motor vehicle); (b) a mechanic; or (c) a freight handler.

An employer is defined as any person engaged in a business affecting commerce who owns or leases a commercial motor vehicle in connection with that business, or assigns employees to operate it in commerce.

The definition of employee includes mechanics and freight handlers who are employed by a commercial motor carrier and in the course of their employment directly affect commercial motor vehicle safety. For example, in loading a truck it is important for highway safety that the load be balanced.

An independent owner-operator who has the primary responsibility for the maintenance and operation of his commercial motor vehicle or vehicles he an employer and be subject to the penalty provisions for employers.

This section also defines the terms "person", "Secretary", and "State".

Conference substitute

DUTIES

House bill

No comparable provision.

Senate amendment

This section requires each employee and employer to comply with the safety and health rules, regulations, standards, and orders issued pursuant to this title.

Conference substitute

REGULATORY AUTHORITY AND STANDARDS

House bill

No comparable provision.

Senate amendment

The Senate amendment requires the Secretary of Transportation to establish and revise rules, regulations, standards, and orders as may be necessary to further the purpose of this title and to provide

that they shall be directed to assuring that (1) commercial motor vehicles are safely maintained, equipped, loaded, and operated; (2) the responsibilities imposed on a driver do not impair his ability to operate the vehicle safely; (3) the physical condition of drivers is adequate to enable them to drive safely; and (4) the operation of commercial motor vehicles does not create deleterious effects on the physical condition of such drivers.

The Secretary is required to consider, where practicable, costs and benefits of such rules, regulations, standards, and orders.

The Senate amendment requires the Secretary of Transportation to promulgate rules or regulations within 1 year after commencing a proceeding. If this is not possible, the Secretary is required to keep the Congress informed of the reasons for the delay and the efforts and progress being made to complete the proceeding.

The Senate amendment also requires that all rules, regulations, standards, and orders issued under this section be promulgated in accordance with section 553 of title 5, United States Code (without regard to sections 556 and 557 of that title), except that the time periods specified in the preceding paragraph apply to such promulgation.

The Senate amendment allows the Secretary to waive the application of any rule, regulation, standard, or order if such waiver is in the public interest and is consistent with the safe operation of commercial motor vehicles. This provision should be used with extreme care and this waiver provision should only be used if the Secretary has developed sufficient information to provide adequate assurance that such waiver will not adversely affect the safe operation of commercial motor vehicles. It should not be enough to exempt a group merely because it is a small part of the commercial motor vehicle industry.

The Senate amendment directs the Secretary of Transportation and Director of the National Institute for Occupational Safety and Health (NIOSH), in consultation with the Secretary of Labor, to conduct a study of health hazards to which employees engaged in the operation of commercial motor vehicles are exposed and to develop recommendations regarding the most appropriate method for regulating and protecting the health of operators of commercial motor vehicles. This section authorizes an appropriation of $1.5 million out of the Highway Trust Fund for fiscal 1984 to conduct this study.

The Senate amendment requires the Secretary of Transportation, the Director of the National Institute for Occupational Safety and Health, and the Secretary of Labor to coordinate their activities to ensure adequate protection of the safety and health of operators of commercial motor vehicles.

DUTIES

House bill

No comparable provision.

Senate amendment

This section requires each employee and employer to comply with the safety and health rules, regulations, standards, and orders issued pursuant to this title.

Conference substitute

The Senate amendment does not provide additional or new regulatory authority to the Secretary of Labor or the Director of the National Institute for Occupational Safety and Health. The DOT Secretary is mandated under this act the authority to assure the protection of safety and health of operators while operating commercial motor vehicles. This section requires the Secretaries and the Director to make every attempt to avoid overlap or duplication of activities and to coordinate their efforts. The Committee intends, in the exercise of its regular oversight authority, to follow further developments in this area of concern.

Conference substitute

GENERAL POWERS

House bill

No comparable provision.

Senate amendment

This section provides the Secretary of Transportation with broad administrative powers to assist in the implementation of this title. This section includes provision for the Secretary to delegate enforcement functions, as he determines appropriate, under this title to a State with a plan approved under this title.

Conference substitute

INSPECTIONS AND WARRANTS

House bill

No comparable provision.

Senate amendment

The Senate amendment authorizes the conditions under which the Secretary of Transportation can carry out inspections or searches. Employers and employees and their duly designated representatives shall be offered a right of accompaniment.

Specifically, the amendment provides that an administrative warrant shall be required for any entry or administrative inspection unless the entry of inspection is: (1) with the consent of the employer, employee, or agent of the employer in charge of the business, establishment, or premises; (2) in situations where there is reasonable cause to believe that the mobility of the motor vehicle makes it impractical to obtain a warrant; (3) in any other exceptional or emergency circumstance where time or opportunity to apply for a warrant is lacking; (4) for access to and examination of books, records, and any other documentary evidence which can be

easily altered, manufactured, or falsified; or (5) in any other situations where a warrant is not constitutionally required.

The amendment provides for the issuance and execution of adminstrative inspection warrants. Any judge of the United States or of a State court of record, or any United States magistrate, may within his territorial jurisdiction, and upon proper oath or affirmation showing probable cause, issue warrants to conduct administrative inspections and to impound motor vehicles or their equipment. This section also sets forth in detail the circumstances under which a warrant shall be issued and the contents of the warrant. Details of the execution and return are also set forth in detail.

Conference substitute

DUTY TO INVESTIGATE COMPLAINTS, PROTECTION OF COMPLAINANTS

House bill

No comparable provision.

Senate amendment

This section requires the Secretary of Transportation to investigate nonfrivolous written complaints alleging a material violation of the title. The Secretary is also required to take steps to protect the identity of persons complaining of safety violations.

Conference substitute

PENALTIES

House bill

No comparable provision.

Senate amendment

This section sets forth the penalties available to the Secretary of Transportation in enforcing violations of this title. The section provides for both civil and criminal penalties, subsections (b) and (e), injunctive relief, subsection (h), and imminent hazard authority, subsection (d).

Subsection (a) sets out the procedure for the Secretary to follow if he finds that a violation under this title has occurred.

Subsection (b) provides for a civil penalty of up to $500 for a recordkeeping violation. The total of all recordkeeping offenses relating to any single recordkeeping violation shall not exceed $10,000. If the Secretary determines that a substantial health or safety violation exists or has occurred which could reasonably lead to or has resulted in serious personal injury or death, he may assess a civil penalty of up to $10,000 for each offense. However, no civil penalty, except recordkeeping penalties, may be assessed against an employee unless the employee is the operator of a commercial motor vehicle and the Secretary of Transportation determines that the employee's actions constituted gross negligence or reckless disregard for safety, in which case such employee shall be liable for a civil penalty up to $1,000. In assessing civil penalties the Secretary is to take into account the nature, circumstances, extent, and gravity of the violation and the degree of culpability, history of prior offenses,

ability to pay, and effect on ability to continue to do business of the violator. The assessment is to be calculated to induce further compliance.

For the purposes of this title only an owner-operator while in the course of personally operating a commercial motor vehicle for a commercial motor carrier is considered an employee for penalty purposes. When the owner-operator is not acting in such capacity, for purposes of this title he shall be treated as an employer. However, the Secretary, in assessing a civil penalty, is directed to take into account, among other criteria, the ability to pay and effect on ability to do business.

Subsection (c) authorizes the Secretary to require a violator to post a copy of a notice of violation or a statement thereof.

Subsection (d) authorizes the Secretary to place a vehicle out of operation or to order an employer to cease all or part of his commercial motor vehicle operations if the Secretary determines that an imminent hazard to safety exists.

Subsection (e) provides for criminal penalties for employers and employees who are operating a commercial motor vehicle who knowingly or willfully violate the act. Penalties for an employer are a fine of up to $25,000 and or imprisonment not to exceed 1 year. An employee is subject to a $2,500 fine.

Subsection (f) requires the Secretary to promulgate regulations establishing penalty schedules designed to induce timely compliance for those failing to comply promptly with the requirements set forth in notices and orders.

Subsection (g) establishes a procedure whereby any aggrieved person who, after a hearing is adversely affected by a final order issued by the Secretary, may petition for review of the order in the U.S. Court of Appeals.

Subsection (h) authorizes the Secretary to obtain enforcement of any penalty or order issued under this section by applying to the United States District Court. In addition, to granting enforcement, the District Court may assess a penalty for noncompliance.

Subsection (i) provides that penalties and fines imposed shall be deposited into the Treasury as miscellaneous receipts.

Subsection (j) provides that subpenas for witnesses who are required to attend a District Court may run into any District.

Subsection (k) provides procedures for proceedings for criminal contempt in accordance with the Federal Rules of Criminal Procedure.

Conference substitute

House bill

No comparable provision.

Senate amendment

The section authorizes the General Counsel of the Department of Transportation to appear for and represent the Secretary in all proceedings and in any civil litigation brought under this title, except as otherwise provided.

Conference substitute

PROTECTION OF EMPLOYEES

House bill

No comparable provision.

Senate amendment

Subsection (a) prohibits any person from disciplining, discriminating against, or discharging an employee for filing a complaint or exercising a right afforded by this title or other authorities of the Secretary of Transportation concerning commercial motor vehicle safety.

Subsection (b) provides for protection of an employee who refuses to operate an unsafe vehicle. In order to qualify for protection under this subsection, the employee must have sought from his employer and have been unable to obtain, correction of the unsafe condition. The employee's refusal to operate the vehicle must be of such nature that a reasonable person, under the circumstances then confronting the employee, would conclude that there is a bona fide danger of an accident, injury or serious impairment of health, resulting from the unsafe condition.

Subsection (c) provides the procedure an employee may follow if the employee believes he has been discriminated against, disciplined or discharged in violation of subsection (a) or (b). An employee may file a complaint, within 180 days after the alleged violation occurs with the Secretary of Labor. The Secretary of Labor is then required to conduct an investigation within 60 days of receipt of a complaint and report his findings and conclusions to the affected parties. If the Secretary of Labor determines that there is reasonable cause to believe that the complaint has merit, he shall notify the complainant and the person alleged to have committed the violation. Thereafter, either the person alleged to have committed the violation or the complainant may, within 30 days file objections to the proposed order and request a hearing on the record. Where a hearing is not timely requested, the Secretary shall issue a final order not subject to judicial review. Where a hearing is requested, it is to be expeditiously conducted with a final order issued within 120 days after conclusion of the hearing. If, in response to a complaint, the Secretary of Labor determines that a violation of subsection (a) or (b) has occurred, he shall order (1) the person who committed such violation to take affirmative action to abate the violation, (2) such person to reinstate the complainant to the complainant's former position, (3) compensatory damages, and (4) where appropriate, exemplary damages. If such an order is issued, the Secretary of Labor may assess against the person against whom the order is issued a sum equal to the aggregate amount of all costs and expenses reasonably incurred by the complainant for, or in connection with, the bringing of the complaint.

Subsection (d) allows any person adversely affected by a subsection (c) order to obtain review of the order in the United States Court of Appeals.

Subsection (e) authorizes the Secretary of Labor to obtain enforcement of its order in the United District Courts.

GRANT TO STATES

House bill

No comparable provision.

Senate amendment

This section authorizes the Secretary to make grants to the States for the development or implementation of programs to enforce commercial motor vehicle safety laws and regulations.

Conference substitute

STATE ENFORCEMENT

House bill

No comparable provision.

Senate amendment

Subsection (a) requires the Secretary of Transportation to formulate procedures for a State to submit a plan whereby the State agrees to adopt and assume responsibility for enforcing rules, regulations, standards, and orders in compliance with this title.

Subsection (b) requires the Secretary to make a continuing evaluation of the manner in which each State with an approved plan is carrying out the plan or enforcing the rules, regulations, standards, or orders under this title. A State whose approved plan is withdrawn by the Secretary may seek judicial review.

Subsection (c) provides that no State plan shall be approved which does not provide for funding for commerical motor vehicle safety programs at a level which does not fall below the average level of such expenditures by the State for the last 2 fiscal years preceding the date of enactment of this Act.

Conference substitute

STATE REGULATIONS

House bill

No comparable provision.

Senate amendment

Generally, subsection (a) allows a State to adopt additional or more stingent commercial motor vehicle safety rules if the rules do not create a burden on commerce or are not inconsistent with the Federal rules, regulations, standards, or orders issued under this title.

Subsection (b) states that this act shall not affect existing State hours-of-service regulations applying to commercial motor vehicles operations occurring wholly within the State unless the Secretary of Transportation finds upon review of a State's hours-of-service regulations that such State regulation materially diminishes commercial motor vehicle safety or health, is not required by compelling local conditions, or unduly burdens interstate commerce.

Conference substitute

FEDERAL SHARE OF COSTS

House bill

No comparable provision.

Senate amendment

This section authorizes the Secretary to reimburse a State for up to 80 percent of costs incurred by the State in the development and implementation of programs to enforce commercial motor vehicle safety laws and regulations.

Conference substitute

AUTHORIZATIONS

House bill

No comparable provision.

Senate amendment

This section authorizes appropriations out of the Highway Trust Fund not to exceed $10 million in fiscal 1984, $20 million in fiscal 1985, $30 million in fiscal 1986, $40 million in fiscal 1987, and $50 million in fiscal 1988 to reimburse to States the Federal pro rata share of costs incurred the grant program and the State enforcement program.

Conference substitute

ANNUAL REPORT

House bill

No comparable provision.

Senate amendment

Requires the Secretary of Transportation to annually report to Congress concerning his efforts and plans to upgrade the safety and health of operators of commercial motor vehicles.

APPLICABILITY

House bill

No comparable provision.

Senate amendment

This section exempts from commercial motor vehicle regulation . . . the Senate amendment the operation of any vehicles engaged in farming activities and logging operations as defined by the Secretary.

COMMERCIAL MOTOR VEHICLE SAFETY ADVISORY COMMITTEE

House bill

No comparable provision.

Senate amendment

This section establishes a Commercial Motor Vehicle Safety Advisory Committee with the Secretary of Transportation and 15 members appointed by the Secretary. The Advisory Committee is to advise, consult with and make recommendations to the Secretary on matters relating to the activities and functions of the Department of Transportation in the field of commercial motor vehicle safety. An appropriation of not to exceed $125,000 for each of fiscal years 1984, 1985, and 1986 is authorized for carrying out this section.

NATIONAL UNIFORM STATE REGULATION

House bill

No comparable provision.

Senate amendment

This section provides that a working group be established to review the various State licensing and State taxing requirements of interstate motor carriers by highway. This working group will recommend standards to the Secretary of Transportation. The Secretary may then initiate a rulemaking action to adopt or otherwise implement these standards. As a minimum such standards are to include: (1) standardized procedures and forms; (2) base State certification; (3) a single State unit for filings, applications, and permits; (4) payment of fees and taxes to the base State; (5) equitable distribution of revenues; (6) a common basis for taxation in each area of requirements; and (7) reasonable limits on fees paid for identification stickers, plates or other indicia.

Subsection (a) establishes a working group.

Subsection (b) defines the responsibilities of the working group. The working group is to develop uniform State procedural standards for vehicle registration, fuel tax, and third structural tax requirements.

Subsection (c) provides for the expenses to be paid to the members of the working group.

Subsection (d) provides that after the working group has completed its work, it must submit recommended standards to the Secretary, Department of Transportation, within 18 months of the date of enactment of this Act.

Subsection (e) provides that the Secretary may initiate rulemaking to implement the recommended standards found acceptable.

Subsection (f) provides that, if the working group fails to act, the Secretary may develop such standards and initiate rulemaking. The Secretary may act in any area or on any subject on which the working group fails to act after 18 months.

This section authorizes Federal preemption of certain State procedures, e.g., the manner in which States collect fuel taxes; administer vehicle registration.

Conference substitute

MINIMUM FINANCIAL RESPONSIBILITY FOR MOTOR CARRIERS

House bill

No comparable provision.

Senate amendment

This section amends the financial responsibility requirements contained in section 30 of the Motor Carrier Act of 1980 for motor carriers of property.

Subsection (a) would remove the limitation on the levels of financial responsibility for motor carriers of property established by the Secretary and allow the Secretary to determine appropriate levels through public rulemaking action.

Subsection (c) would do three things: (1) complement the proposed amendment to section 30(b)(1) and subject motor vehicles transporting certain specified hazardous materials, substances, or wastes in foreign commerce to the financial responsibility provisions of section 30; (2) change the language of subsection (c) to be consistent with the Department's hazardous materials regulations; and (3) remove the limitations on the levels of financial responsibility established by the Secretary, and allow the Secretary to determine future appropriate levels through public rulemaking action.

Subsection (d) would also do three things: (1) complement the proposed amendment to section 30(b)(1) and subject motor vehicles transporting other hazardous materials, substances, or wastes in foreign commerce to the financial responsibility of section 30; (2) remove the limitations on the levels of financial responsibility established by the Secretary and allow the Secretary to determine future appropriate levels required through public rulemaking action; and (3) effectively exempt many more small businesses from the financial responsibility requirements of section 30 without compromising highway safety.

Subsection (e) would also do two things: (1) complement the proposed amendment to section 30(b)(1) and subject motor vehicles transporting any hazardous materials, substances, and wastes in foreign commerce to the financial responsibility provisions of section 30; and (2) remove the limitation on the limits established by the Secretary and allow the Secretary to determine future appropriate levels required through public rulemaking action.

Subsection (f) amends the 10,000 pound GVWR exemption to section 30. It would exclude from the 10,000 pound GVWR exemption those vehicles transporting any quantity of Class A or B explosives, poison gas, or large quantity radioactive materials in interstate foreign commerce.

Conference substitute

ENFORCEMENT

House bill

No comparable provision.

Senate amendment

This provision allows the Secretary of Transportation to seek injunctive relief to require compliance with the provisions of the Act.

Conference substitute

SPLASH AND SPRAY SUPPRESSANT DEVICES

House bill

No comparable provision.

Senate amendment

The Secretary of Transportation is required to set standards for the use of splash and spray suppressant devices for tractors, semitrailers, and trailers.

Conference substitute

AIRPORT AND AIRWAY DEVELOPMENT PROGRAM

House bill

No comparable provision.

Senate amendment

This section increases airport development spending $475 million over the next 3 years, 1983–1985. This is accomplished by shifting $112.5 million from both 1986 and 1987 and distributing the funds in 1983, 1984 and 1985. Also, an additional $250 million is drawn from the Aviation Trust Fund surplus and is allocated in 1983, 1984 and 1985. The result of this is to increase the authorized level in 1983 by $200 million; 1984 by $200 million and 1985 by $75 million.

The additional funds shall be discretionary funds and they shall be spent for new construction.

The Secretary may, in no event, reduce any other apportionment or entitlement of the Airport and Airway Improvement Act of 1982.

Conference substitute

RECREATIONAL BOATING AND REFORESTATION TRUST FUND AMENDMENT

House bill

No comparable provision.

Senate amendment

Subsection (a) amends Public Law 96–451 to provide the Secretary of Transportation authority to contract with the States to implement and administer a national recreational boating safety and facilities improvement program. A contractual obligation of the United States to distribute motorboat gasoline fuel tax revenues to the States is created when the Secretary of Transportation approves specified elements of the State program.

The formula for distribution is unchanged from current law. The current limitation on amounts which may be held in the Trust Fund is removed, so that all motorboat gasoline fuel tax revenues are transferred into the Fund.

Subsection (b) would require the expenditure of funds collected in the Reforestation Trust Fund created by Public Law 96–451. This is accomplished by repealing the current legal prerequisites to expenditure of the funds by the Secretary of Agriculture. In no case may the Secretary spend, in fiscal year 1983, less than the $104,000,000 now held in the Trust Fund. Any funds remaining in the Trust Fund at the end of fiscal year 1985 are to be distributed to the States for use in State forestry programs.

Conference substitute

AMENDMENT TO SALTONSTALL-KENNEDY BILL

House bill

No comparable provision.

Senate amendment

This section would require that all money in the Saltonstall-Kennedy Fund be used in support of the United States fishing industry. Specifically, up to 40 percent of the Fund could be used to support activities within the National Marine Fisheries Service as long as those activities were related to fisheries development.

At least 60 percent of the Fund would have to go directly for industry grants. Since the Fund is currently collecting approximately $28 million per year, at least $17 million would have to go for grants, and the rest could go to the National Marine Fisheries Service fisheries development programs.

Conference substitute

AMENDMENT TO MERCHANT MARINE ACT, 1936

House bill

No comparable provision.

Senate amendment

This section provides that no ceiling shall be placed on the title XI of the Merchant Marine Act, 1936 loan guarantee program other than a ceiling imposed by authorizing legislation.

Conference substitute

The conference substitute adopts many of the provisions of the House bill and Senate amendment. Other provisions included in the conference substitute are compromises of provisions of the House bill and Senate amendment.

I. Highway-Related Revenue Provisions

A. MOTOR FUELS TAXES

1. Taxes on gasoline, diesel fuel, and special motor fuels

Present law

Present law imposes a manufacturers excise tax of 4 cents per gallon on the sale of gasoline. A retailers excise tax of 4 cents per gallon is imposed on the sale of diesel fuel for use in a highway vehicle and on the sale of special motor fuels. These taxes are scheduled to decline to 1½ cents per gallon on October 1, 1984.

House bill

The House bill increases the taxes on gasoline, diesel fuel, and special motor fuels from 4 cents per gallon to 9 cents per gallon, effective for sales after March 31, 1983, and before October 1, 1988.

Senate amendment

The Senate amendment is the same as the House bill except the increased tax rates apply through September 30, 1989.

Conference agreement

The conference agreement follows the House bill.

2. Taxes on motorboat fuels

Present law

The 4-cents-per-gallon taxes on gasoline and special fuels apply to such fuels used in motorboats (other than motorboats used in fisheries). For fiscal years 1981 through 1983, an amount equivalent to the revenues from these taxes, not exceeding $20 million per year, is transferred to the National Boating Safety and Facilities Improvement Fund.[1] The balance of these revenues is deposited in the Land and Water Conservation Fund.

House bill

The House bill increases the taxes on gasoline and special motor fuels used in motorboats to 9 cents per gallon, effective for sales after March 31, 1983, and before October 1, 1983. The maximum amount of these revenues that can be transferred to the Boating Safety Fund is increased to $45 million per year and the maximum allowable balance in that Fund is also increased to $45 million. The Fund is extended through September 30, 1988.

Senate amendment

The Senate amendment is the same as the House bill, except the Boating Safety Fund, and the transfers of revenue thereto, are extended through September 30, 1989.

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[1]The Boating Safety Fund is also subject to the additional restriction that its balance cannot exceed $20 million at any given time. Thus, transfers to the Fund are less than the $20 million per year maximum if the Fund has an outstanding balance.

Conference agreement

The conference agreement follows the House bill.

3. Exemptions from motor fuel taxes

Present law

Present law includes exemptions from the motor fuels taxes, equal to the 4-cents-per-gallon rate, for the following purposes: a fuels mixture (gasohol) which contains at least 10 percent alcohol of 190 proof (through 1992); use in intercity, local, or school buses; use in qualified taxicabs; use by State and local governments; use by nonprofit educational institutions; and farming use. An exemption of 2 cents per gallon is included for fuels used in a nonhighway qualified business use.

House bill

The House bill includes exemptions from the motor fuels taxes, as follows:

a. *Gasohol.*—An exemption of 4 cents per gallon through September 30, 1988.

b. *Intercity, school, and local buses.*—An exemption of 9 cents per gallon through September 30, 1988.

c. *Qualified taxicabs.*—An exemption of 4 cents per gallon through September 30, 1984. (Additionally, the Treasury Department is directed to conduct a study on the effectiveness of this exemption.)

d. *State and local government use.*—An exemption of 9 cents per gallon through September 30, 1988.

e. *Nonprofit educational institutions.*—An exemption of 9 cents per gallon through September 30, 1988.

f. *Farming use.*—An exemption of 9 cents per gallon through September 30, 1988.

g. *Nonhighway qualified business use.*—An exemption of 9 cents per gallon through September 30, 1988.

h. *Certain alcohol fuels.*—An exemption of 9 cents per gallon for alcohol fuels consisting of 85 percent or more methanol, ethanol, or other alcohols derived from sources other than petroleum, through September 30, 1988.

In addition, the House bill permits ground applicators of certain farm processes (e.g., fertilizer) to claim the fuels tax exemption directly for fuels used by them in farming purposes.

Senate amendment

The Senate amendment generally follows the House bill, with modifications. The exemptions terminated after September 30, 1988, under the House bill are terminated after September 30, 1989, by the Senate amendment. The Senate amendment also makes the following additional changes in the exemptions:

a. *Gasohol.*—An exemption of 9 cents per gallon, through December 31, 1992.

b. *Qualified taxicabs.*—An additional exemption of 4 cents per gallon for one year for certain taxicabs that do not qualify under present law because they are not permitted under local law to offer ridesharing, January 1, 1983 through December 31, 1983.

c. *Certain alcohol fuels.*—An exemption of 9 cents per gallon for alcohol fuels consisting of 85 percent or more methanol, ethanol, and other alcohols derived from sources other than petroleum or natural gas.

d. *Certain vanpool vehicles.*—An exemption of 9 cents per gallon for vehicles carrying 8 or more adults (not including the driver) if used more than 80 percent for commuting to and from work. The vehicle owner can be the employer, the operator, or a third party leasing to the employer or operator.

Conference agreement

The conference agreement follows the House bill and the Senate amendment, with modifications. Specifically, the conference agreement provides the following exemptions:

a. *Gasohol.*—The conference agreement provides an exemption equal to 5 cents per gallon effective through December 31, 1992.

b. *Intercity, school, and local buses.*—The conference agreement follows the House bill.

c. *Qualified taxicabs.*—The conference agreement follows the Senate amendment.

December 31, 1982.

House bill

No provision.

Senate amendment

The Senate amendment increases the tariff to 90 cents per gallon on imported alcohol fuels, effective on April 1, 1983 through December 31, 1992.

Conference agreement

The conference agreement increases the tariff to 50 cents per gallon effective after March 31, 1983 and before January 1, 1993.

6. Time for payment of gasoline tax

Present law

Under present law, the tax on gasoline generally is paid for a semimonthly period, with payments due 9 days after the close of the taxable period. There is no requirement for payment by electronic wire transfer.

House bill

No provision.

Senate amendment

The Senate amendment provides an additional 6 days, for a total of 15 days, after the close of the semimonthly period for payment of the gasoline tax. The additional time is available only to oil jobbers who sell fewer than 2 million gallons of gasoline during the taxable period and who elect to pay the tax by electronic wire transfer. The provision is effective on April 1, 1983.

Conference agreement

The conference agreement follows the Senate amendment, with modifications. The agreeement provides an additional 5 days, for a total of 14 days, after the close of the semimonthly period for payment of the gasoline tax in the case of taxpayers who pay by electronic transfer. If the payment date falls on a Saturday, Sunday, or holiday, payment shall be due on the preceding Friday (or Thursday, in the case of a Friday holiday).

Under the conference agreement, the additional time is available to any person other than a refiner producing more than 1,000 barrels of oil per day.

d. *State and local government use.*—The conference agreement follows the House bill.

e. *Nonprofit educational institutions.*—The conference agreement follows the House bill.

f. *Farming use.*—The conference agreement follows the House bill.

g. *Nonhighway qualified business use.*—The conference agreement follows the House bill.

h. *Vanpool vehicles.*—The conference agreement follows the House bill.

i. *Certain alcohol fuels.*—The conference agreement follows the Senate amendment.

j. *Ground fertilizer applicators.*—The conference agreement follows the House bill and the Senate amendment.

4. Alcohol fuels income tax credit

Present law

Present law provides a 40-cents-per-gallon income tax credit for certain alcohol fuels. The credit is not allowable if an excise tax exemption is claimed for the same fuels. This credit is effective through December 31, 1992.

House bill

The income tax credit is terminated after September 30, 1986.

Senate amendment

The income tax credit is increased to 90 cents per gallon, effective on April 1, 1983. The present law termination date of December 31, 1992 is retained.

Conference agreement

The conference agreement increases the income tax credit to 50 cents per gallon effective through December 31, 1992.

5. Tariff on imported alcohol fuels

Present law

A tariff of 40 cents per gallon is imposed on imported alcohol fuels, effective after December 31, 1982, and before January 1, 1993. The tariff is 20 cents per gallon through * * *.

B. EXCISE TAXES ON SALES OF TRUCKS AND TRUCK PARTS

Present law

Trucks and truck trailers

A 10-percent manufacturers excise tax is imposed on the sale of truck chassis and bodies, truck trailer and semitrailer chassis and bodies, and highway tractors used in combination with a trailer or semitrailer (including related parts and accessories). Truck chassis and bodies are taxable only if they are suitable for use with a vehicle whose gross vehicle weight is over 10,000 pounds. Truck trailer and semitrailer chassis and bodies are taxable only if they are suitable for use with a trailer or semitrailer whose gross vehicle weight is over 10,000 pounds. Certain articles (not including rail trailers or livestock carriers) are specifically exempt.

The rate of tax is scheduled to fall to 5 percent on October 1, 1984.

Truck parts and accessories

An 8-percent manufacturers excise tax is imposed on the sale of parts or accessories (other than tires or inner tubes) for truck chassis and bodies, truck trailer and semitrailer chassis and bodies, and highway tractors used in combination with a trailer or semitrailer. Parts to be resold in connection with the first retail sale of a light-duty truck (10,000 pounds or less) are exempt. Parts for certain articles (not including rail trailers or livestock carriers) are specifically exempt.

The rate of tax is scheduled to fall to 5 percent on October 1, 1984.

House bill

Trucks and truck trailers

The threshold weights over which articles become taxable are raised to 33,000 pounds for truck chassis and bodies and 26,000 pounds for truck trailer and semitrailer chassis and bodies. A new exemption is provided for rail trailers and rail vans (not including piggy-back trailers or semitrailers) which are designed primarily for railroad use and include as an integral part at least one rail axle. These provisions are effective the day after enactment.

The House bill converts the current 10-percent manufacturers tax into a 12-percent retail tax on April 1, 1983. It provides a 2-percent retail tax for articles taxable under the retail tax and for which the 10-percent manufacturers tax has been paid. Current exemptions under the manufacturers tax and the exemption for rail trailers will apply under the retail tax. To deter tax avoidance, the 12-percent retail tax also applies to the installation of parts or accessories on a taxable vehicle, if it occurs within 6 months after the vehicle is first placed in service. However, an installation is not taxed if the vehicle is purchased fully equipped for service, the part is a replacement, or the aggregate price of installed parts does not

exceed $200 (or another amount as the Secretary may prescribe by regulations).

The retail excise tax on trucks and trailers will expire on October 1, 1988.

Truck parts and accessories

The House bill repeals the manufacturers excise tax on truck parts and accessories, effective on the day after the date of enactment. However, as described above, certain installations of parts are taxable under the retail tax on trucks.

Senate amendment

Trucks and truck trailers

The Senate amendment is generally the same as the House bill. However, under the Senate amendment, the exemption for rail trailers and vans (not including piggy-backs) is for vehicles which are designed for use both as a highway vehicle and a railroad car. Also, the Senate amendment provides a new exemption for farm equipment uniquely designed to transport livestock to and on farms, effective the day after enactment. The retail tax will expire on October 1, 1989.

Truck parts and accessories

Under the Senate amendment, parts and accessories that are suitable for use (and ordinarily used) on a vehicle having a gross vehicle weight of 10,000 pounds or less are exempt from the manufacturers excise tax on parts and accessories, effective the day after enactment. Parts for the rail trailers and livestock carriers which are excluded from the excise tax on trucks by the Senate amendment are exempt also. Otherwise, parts and accessories are subject to the manufacturers excise tax as under present law.

The rate of tax increases to 10 percent on April 1, 1983. This tax will expire on October 1, 1989.

Conference agreement

The conference agreement follows the House bill and the Senate amendment on new trucks except that it follows the Senate amendment on rail trailers and the House bill on livestock carriers. The agreement follows the House bill with respect to the effective date and the expiration date. The conference agreement follows the House bill on the tax on parts and accessories.

C. HEAVY VEHICLE USE TAX

Present law

An excise tax is imposed on the use on the public highways of any highway motor vehicle which (together with semitrailers and trailers customarily used in connection with highway motor vehicles of the same type as the vehicle) has a taxable gross weight of

more than 26,000 pounds. The rate of tax is $3 a year for each 1,000 pounds or fraction thereof.

The taxable period for the use tax is generally the one-year period beginning on July 1. The amount of tax is prorated only when the first use of the vehicle occurs later than the first month of the taxable period; no refund of tax is made when the owner stops using the taxed vehicle during the taxable period. No de minimus exemption is provided for limited uses of the public highways.

The tax is scheduled to expire on October 1, 1984.

House bill

The House bill provides a new, graduated tax rate structure, as follows:

If the taxable gross weight is—		
At least:	But less than:	The rate of tax is:
33,000 pounds	55,000 pounds	$60 per year, plus $20 for each 1,000 pounds or fraction thereof in excess of 33,000 pounds.
55,000 pounds	80,00 pounds	$500 per year, plus $60 for each 1,000 pounds or fraction thereof in excess of 55,000 pounds.
80,000 pounds		$2,000 a year.

Note.—No tax is imposed on vehicles under 33,000 pounds.

The House bill provides a new de minimus exemption for vehicles which are used on the public highways for 2,500 miles or less during a taxable period. In addition, it directs the Secretary of Transportation (in consultation with the Secretary of the Treasury and other parties) to study alternative forms of the highway use tax and report findings and recommendations to the tax-writing committees of Congress before January 2, 1985. Beginning January 1, 1985, a State must require proof of payment of the highway use tax before registering a vehicle in the State in order to qualify for its highway apportionment for the fiscal year.

These provisions are effective on January 1, 1984. To accommodate this effective date, two short taxable periods are provided in lieu of the one-year taxable period that would otherwise begin on July 1, 1983.

Under the House bill, the use tax expires on October 1, 1988.

Senate amendment

The Senate amendment is similar to the House bill, but provides a 5,000-mile de minimus exemption, a different (and phased-in) tax rate structure, and an October 1, 1989, expiration date. In addition, the Senate amendment allows a prorated credit or refund for tax paid, where there is a reasonable expectation that the owner will not use the vehicle for the remainder of the taxable period or the vehicle is transferred and the transferee certifies he has paid the correct amount of tax for the remainder of the taxable period. The Senate amendment does not provide for State enforcement of the use tax.

The graduated tax structure under the Senate amendment is as follows:

If the taxable gross weight is—		
At least:	But less than:	The rate of tax is:
33,000 pounds	55,000 pounds	$80 per year, plus $10 for each 1,000 pounds or fraction thereof in excess of 33,000 pounds.
55,000 pounds	70,000 pounds	$300 per year, plus $20 for each 1,000 pounds or fraction thereof in excess of 55,000 pounds.
70,000 pounds	80,000 pounds	$600 per year, plus $60 for each 1,000 pounds or fraction thereof in excess of 70,000 pounds.
80,000 pounds		$1,200 a year.

Note.—No tax is imposed on vehicles under 33,000 pounds.

One-third of the tax rate change provided by the Senate amendment is effective on January 1, 1984, and two-thirds is effective on January 1, 1985. In general, the entire change is effective on January 1, 1986. However, the entire change is not effective until January 1, 1987, for persons who own and operate no more than 3 taxable vehicles. To accommodate this phase-in schedule, six (eight, in the case of small owner-operators) short taxable periods are provided in lieu of the one-year taxable periods that would otherwise begin on July 1 of 1983, 1984, and 1985 (and 1986, in the case of small owner-operators).

Conference agreement

The conference agreement incorporates a graduated use tax schedule. In addition, the conference agreement follows the Senate amendment on the 5,000 mile *de minimus* exemption. The agreement follows the Senate amendment and allows a prorated credit and refund for tax paid but with an amendment generally limiting it to situations involving theft or destruction of the equipment. The conference agreement follows the House bill on State enforcement of the use tax. It follows the Senate amendment with an amendment allowing a one-year delay of the use tax increases for truck fleets of 5 or less vehicles.

The conference agreement provides the following rate of use tax:

Taxable gross weight		
At least:	But less than:	Rate of tax:
33,000 pounds	55,000 pounds	$50 per year, plus $25 for each 1,000 pounds or fraction thereof in excess of 33,000 pounds.
55,000 pounds	80,000 pounds	$600 per year, plus the applicable rate for each 1,000 pounds or fraction thereof in excess of 55,000 pounds.
70,000 pounds		The maximum amount.

The applicable rate and maximum amount are as follows:

Taxable period beginning on July 1 of—	Applicable rate	Maximum amount
1984	$40	$1,600
1985	$40	$1,600
1986	$44	$1,700
1987	$48	$1,800
1988 or thereafter	$52	$1,900

D. TAXES ON TIRES, TREAD RUBBER, AND INNER TUBES

1. Tires

Present law

There are excise taxes imposed on the sale by a manufacturer, producer or importer of tires, based upon weight: tires for highway vehicles are taxed at 9.75 cents per pound; nonhighway tires generally are taxed at 4.875 cents per pound; and laminated tires (tires not designed for highway use) are taxed at 1 cent per pound. On and after October 1, 1984, the tax on highway tires is scheduled to decrease to the non-highway rate of 4.875 cents per pound.

House bill

Under the House bill, the tax on highway tires weighing over 100 pounds is increased to 25 cents per pound, effective January 1, 1984. The tax on such tires of 100 pounds or less is repealed on that date, as are the taxes on non-highway tires and laminated tires. The tax on highway tires will terminate on October 1, 1988.

Senate amendment

Under the Senate amendment, there is a graduated tax on highway tires at the following rates and poundage brackets: 10 cents per pound for the first 50 pounds, 15 cents per pound for the next 50 pounds, and 25 cents per pound for tires over 100 pounds. The taxes on non-highway tires and laminated tires are repealed. These changes are effective on April 1, 1983, through September 30, 1989. The tax on highway tires will terminate on October 1, 1989.

Conference agreement

Under the conference agreement, there is a graduated tax on highway tires at the following rates and poundage brackets: no tax on tires under 40 pounds; 15 cents per pound for tires between 40 and 70 pounds; 30 cents per pound for tires between 70 and 90 pounds; and 50 cents per pound for tires of 90 pounds and over. These changes are effective on January 1, 1984, through September 30, 1988, after which time the tax terminates.

In addition, the taxes on nonhighway and laminated tires are repealed, effective on January 1, 1984.

2. Tread rubber

Present law

An excise tax of 5 cents per pound is imposed on the sale by a manufacturer, producer, or importer of tread rubber. The tax is imposed on tread rubber for use in recapping or retreading highway type tires. The tax on tread rubber is scheduled to expire on October 1, 1984.

House bill

Under the House bill, the tax on tread rubber is increased to 25 cents per pound, if for highway tires weighing over 100 pounds. The tax on tread rubber for other tires is repealed. These changes

are effective on January 1, 1984, through September 30, 1988. The tax is terminated on October 1, 1984.

Senate Amendment

Under the Senate amendment, the tax on tread rubber is increased to 6 cents per pound. The tax terminates on October 1, 1989.

Conference agreement

Under the conference agreement, the tax on tread rubber is repealed, effective on January 1, 1984.

3. Inner tubes

Present law

Under present law, there is an excise tax imposed on the sale by a manufacturer, producer or importer of inner tubes for tires, based upon weight. The tax currently is 10 cents per pound, and is scheduled to decline to 9 cents per pound on October 1, 1984.

House bill

Under the House bill, the tax on inner tubes is repealed, effective on January 1, 1984.

Senate amendment

Under the Senate amendment, the tax on inner tubes is retained at 10 cents per pound through September 30, 1989, after which time the tax will terminate.

Conference agreement

The conference agreement follows the House bill.

E. TAX ON LUBRICATING OIL

Present law

The sale of lubricating oil is subject to a 6-cents per-gallon tax that is levied on the manufacturer or producer. Exemptions are provided for oil sold for use in cutting or machining operations on metals. An exemption also applies to sales of rerefined oil. Rerefined oil must be composed of at least 25 percent used or waste lubricating oil that has been cleaned and no more than 55 percent previously unused lubricating oil.

House bill

The House bill repeals the tax on lubricating oil, effective on date of enactment.

Senate amendment

The Senate amendment retains the present tax on lubricating oil, and extends the tax to synthetic lubricating oil effective on April 1, 1983.

Conference agreement

The conference agreement follows the House bill.

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F. FLOOR STOCKS PROVISIONS

1. Floor stocks taxes

Present law

Present law imposes no floor stocks taxes with respect to the Highway Trust Fund taxes since these taxes have not been increased since 1959. Floor stocks taxes are one-time taxes imposed with respect to inventories when manufacturers excise tax rates are increased.

House bill

The House bill imposes floor stocks taxes with respect to gasoline, tires over 100 pounds and tread rubber used in recapping such tires, and trucks and trailers over the taxable weight thresholds provided by the bill. The floor stocks taxes are equal to the increase in the applicable tax rates and are due by return, on May 15, 1983. Revenues from the floor stocks taxes will be deposited in the Highway Trust Fund.

Senate amendment

The Senate amendment generally follows the House bill except the floor stocks taxes apply to additional items on which the manufacturers excise taxes are increased, i.e., synthetic lubricating oil and truck and trailer parts and accessories for trucks and trailers with a gross vehicle weight over 10,000 pounds.

Conference agreement

2. Floor stocks refunds

Present law

Floor stocks refunds are provided with respect to inventories when a manufacturers excise tax is repealed or reduced. Present law includes provisions for floor stocks refunds with respect to the Highway Trust Fund taxes that are scheduled to expire or be reduced on October 1, 1984.

House bill

The House bill provides for floor stocks refunds of tax paid on articles on which the manufacturers excise taxes are repealed, if certain conditions are satisfied. Generally, the refunds are made with respect to articles held by dealers on the effective date of the repeal and are made to manufacturers upon proof of reimbursement to the dealer. Tax-repealed articles include trucks with taxable weight of 33,000 pounds or less, trailers with a like weight of 26,000 pounds or less, laminated tires and nonhighway tires, highway tires under 100 pounds, intertubes, and parts and accessories for trucks and trailers.

The House bill also includes a provision for floor stock refunds to manufacturers with respect to trucks and truck trailers below the increased taxable weight thresholds provided by the bill which are purchased by consumers between December 2, 1982 and the date of the bill's enactment (the date on which the tax on such trucks is repealed). One requirement for these refunds is proof that the con-

sumer has been reimbursed for the amount of the previously paid tax.

Amounts equivalent to the amount of the floor stocks refunds will be transferred from the Highway Trust Fund to the general fund of the Treasury so the Trust Fund will bear the cost of these refunds.

Senate amendment

The Senate amendment generally follows the House bill, with modifications. The list of tax-repealed articles is changed to reflect the other provisions of the Senate amendment. Thus, under the Senate amendment, tax-repealed articles include trucks with a gross weight of 33,000 pounds or less, trailers with a like weight of 26,000 pounds or less, laminated tires, nonhighway tires, and parts and accessories for trucks and trailers weighing 10,000 pounds or less.

The beginning of the period during which refunds are permitted for consumer purchases to trucks and trailers is changed from December 2, 1982, to November 28, 1982.

Conference agreement

The Conference agreement follows the House bill, with modification to reflect the repeal of the tax on tires under 40 pounds and tread rubber.

G. HIGHWAY TRUST FUND PROVISIONS

Present law

Original enactment of the Highway Trust Fund

The Highway Trust Fund was established in 1956 to provide financing specifically earmarked for the new Interstate Highway System and continuation of other Federal-aid highway programs. The other highway-aid programs previously had been financed through the general fund.

The 1956 Act provided for a highway cost allocation study to determine the fair distribution of highway-related user taxes among the various users. In addition, the 1956 Act also contained the "Byrd Amendment" which was included to prevent the Trust Fund from reaching a deficit position. In general, this provision originally required a proportionate reduction of the Interstate Highway System apportionment, if trust fund balances and estimated future receipts would be inadequate to cover obligations as they become due.

Subsequent extensions of the Highway Trust Fund

The Highway Trust Fund and the related earmarked highway excise taxes transferred to the trust fund have been extended three times since 1961: the Federal-Aid Highway Act of 1970; the Federal-Aid Highway Act of 1976; and the Surface Transportation Assistance Act of 1978.

In the 1978 Act, the "Byrd Amendment" was modified to require that when anticipated revenues are insufficient to cover expenditures, reductions would be made on a pro rata basis to all apportioned highway funds, rather than to interstate apportionments only. Finally, two studies were required: a cost allocation study to be conducted by the Department of Transportation, which was submitted to Congress in May 1982; and a study of the highway excise tax structure to be conducted by the Department of Treasury, which was sent to Congress on December 15, 1982.

Highway Trust Fund expenditure purposes

Since its enactment in 1956 and through legislation since then, the Highway Trust Fund has been used to finance construction of the Interstate Highway System, other Federal-aid highways, and for other Federal highway-aid programs. The highway programs currently supported by expenditures from the trust fund are listed below:

(1) *Interstate highway system*—(a) Construction to close gaps in the nearly completed basic Interstate system; (b) Resurfacing, restoring, rehabilitating and reconstructing ("4Rs") previously completed sections.

(2) *Primary highway system*—(a) Construction and reconstruction and related planning; (b) Resurfacing, restoring, rehabilitating these highways.

(3) *Urban and rural areas transportation program*—Assistance in urban and rural areas in construction, rehabilitation and reconstruction of local roads, and related planning and research; public transportation capital expenditures; safety improvements and traffic system management. (Urban areas have more than 50,000 persons; rural areas less than that population.)

(4) *Bridge program*—Rehabilitating or replacing structurally deficient bridges.

(5) *Construction and other highway-related safety programs*—Establishment of safety programs and to build safety into highways during their construction, including such things as pavement marking, and elimination of roadside hazards and highway rail crossings.

(6) *Emergency highway relief programs*—Highway funds relating to disaster relief.

(7) *Administration and research through the federal highway administration*—Involving (a) coordination and direction of various public programs and requirements, (b) general program support affecting policy plans and projections and administrative support, and (c) engineering and financial assistance.

(8) *Additional programs*—The Highway Trust Fund contributes a share of costs of certain other programs, including the following: Forest and public lands highways; economic growth center highways; national scenic and recreational highways; railroad-highway crossing demonstration projects; rural highway public transportation demonstration projects; bicycle pathway programs; highway safety research and development; car and van pool projects; right-of-way revolving fund.

House bill

H.R. 6211, as passed by the House, would extend the Highway Trust Fund for four additional years and would make several other adjustments in present law.

Extension of the trust fund

The Highway Trust Fund would be extended for 4 years, from September 30, 1984, through September 30, 1988. To simplify codification of tax law, the trust fund would be transferred to the Internal Revenue Code (as a new section 9503) on January 1, 1983, and the present statutory provision for the trust fund in section 209 of the Highway Revenue Act of 1956 would be repealed simultaneously. For all purposes of law and any reference in any law, the Highway Trust Fund established in the Internal Revenue Code would be treated as a continuation of this trust fund in its earlier statutory provisions.

Revenues appropriated to the trust fund

There would be appropriated to the Highway Trust Fund amounts equivalent to the taxes received in the Treasury under the provisions relating to the taxes on gasoline and other motor fuels, heavy trucks and trailers, truck parts, tires and tread rubber, lubricating oil and use of certain vehicles. Taxes received after the expiration date of the trust fund and before July 1, 1989, that are attributable to liabilities incurred before October 1, 1988, also would be appropriated to the trust fund. Amounts appropriated to the Airport and Airway Trust Fund from the tax on aviation fuels would be deducted beforehand from the amounts deposited in the Highway Trust Fund.

Expenditures and transfers from the trust fund

Expenditures could be made before October 1, 1988, from the trust fund, as provided by appropriation Acts, to meet obligations incurred after authorization by law and to be paid out of the Highway Trust Fund established by section 209 of the Highway Revenue Act of 1956, or authorized by law to be paid out of the Highway Trust Fund (in sec. 9503 of the code) under title I or II of the Surface Transportation Assistance Act of 1982. Expenditures also could be made from the trust fund to meet obligations that have been incurred after authorization by a law which does not authorize the expenditure out of the Highway Trust Fund of any amount for a general purpose not covered in the 1956 Act and the 1982 Act cited above, as in effect on December 31, 1982.

Expenditures from the Highway Trust Fund for highway purposes could not be made from the Mass Transit Account, described in section H, below.

Transfers of funds may be made from the trust fund to the general fund for amounts paid before July 1, 1989, for tax credits, other payments attributable to non-highway uses of motor fuels and lubri-

cating oil, and for floor stock refunds on the basis of claims filed for periods ending before October 1, 1988.

Motorboat fuels taxes (or equivalent amounts) would be transferred to the National Recreational Boating Safety and Facilities Improvement Fund through September 30, 1988. The aggregate amount transferred in any fiscal year could not exceed $45 million, and no transfers of these amounts could be made if the accumulated balance in the Boating Safety Fund would be $45 million. Any other amounts of motorboat fuels taxes would be transferred to the Land and Water Conservation Fund.

Anti-deficit provision ("Byrd amendment")

The "Byrd amendment" assures that the Highway Trust Fund is maintained as a self financing entity and only would be revised to clarify certain ambiguities and to improve its operation.

As a result, at least once in each calendar quarter, the Secretary of Treasury—after consultation with the Secretary of Transportation—would estimate the unfunded highway authorizations at the close of the next fiscal year and the net receipts of the Highway Trust Fund for the 24-month period beginning at the close of such fiscal year. In the event the unfunded authorizations would exceed the estimated receipts, the Secretary of Transportation would reduce the apportionment to the States by the percentage of excess apportionment. If a subsequent quarterly estimate indicates that the excess unfunded authorizations would be a smaller amount, or there would be no such excess, the apportionments to the States would be adjusted accordingly.

The provision that authorizes repayable advances from the general fund to the Highway Trust Fund would be repealed.

These provisions would become effective on January 1, 1983.

Senate amendment

The changes made in the House bill by the Senate amendment were the following.

Extension of the trust fund

The Highway Trust Fund would be extended for 5 years, through September 30, 1989.

Revenues appropriated to the trust fund

Amounts equivalent to the revenues received in the Treasury under the provisions relating to the highway excise taxes would continue to be appropriated to the Highway Trust Fund through September 30, 1989. Taxes received after September 30, 1989, and before July 1, 1990, that are attributable to liabilities incurred before October 1, 1989, also would be appropriated to the trust fund.

Expenditures and transfers from the trust fund

Expenditures would be made from the trust fund before October 1, 1990, as provided by appropriation Acts, to meet obligations which have been incurred after authorization by law to be paid out of the Highway Trust Fund established by section 209 of the Highway Revenue Act of 1956. Eligible obligations would be those incurred under the Federal-Aid Road Act of July 11, 1916, as amended and supplemented, including administrative expenses of the Federal Highway Administration.

Transfers could be made from the trust fund to the general fund through July 1, 1990, instead of through July 1, 1988, as in the House bill. The purposes for such transfers were unchanged from the House bill.

The Senate amendment extended the transfer of motorboat fuels taxes to the Boating Safety Fund and the Land and Water Conservation Fund through September 30, 1989, one year later than in the House. No other changes were made in the Senate amendment with respect to these provisions.

Expenditures for highway purposes could not be made from the Mass Transit Account.

Anti-deficit provision ("Byrd amendment")

The "Byrd Amendment" would be retained without change, including the authority for repayable advances.

The extension of the Highway Trust Fund provisions generally would be effective for October 1, 1985–September 30, 1989, except for the 9-month period (through June 30, 1990) for receipt of pre-October 1, 1989, highway excise tax liabilities and certain transfers from the trust fund.

Conference agreement

The conference agreement follows the House bill.

H. MASS TRANSIT ACCOUNT

Present law

There is no transit account in the Highway Trust Fund and no transit trust fund that receives tax receipts designated for deposit in such an account or fund.

House bill

A separate Mass Transit Account would be established in the Highway Trust Fund. It would consist of the revenue equivalent of 1 cent a gallon of the 9 cents a gallon excise taxes imposed on gasoline and diesel and special motorboat fuels. These amounts would be transferred to the Mass Transit Account with the same regularity and under the same conditions as amounts from these taxes would be are transferred to the Highway Trust Fund. Interest earned as a result of investment in United States securities on the portion of amounts in the Highway Trust Fund that would be at-

tributable to the Mass Transit Account would be credited to the Mass Transit Account.

Amounts in the Mass Transit Account would be available, as provided by appropriation Acts, for making capital expenditures (including capital expenditures for new projects) before October 1, 1989, under section 3 of the Urban Mass Transportation Act of 1964. Expenditures from the Mass Transit Account could be made only for mass transit capital purposes, and no expenditures could be made from this account for highway purposes.

In approving capital expenditures for new transit systems, the House believed that preference should be given to projects which maximize the cost-effectiveness of the federal contribution including use of existing infrastructure, like existing track, or substantial non-federal capital contribution.

Unfunded authorizations also would be limited to the estimated net receipts for the Mass Transit Account. The procedure would be the same as that specified for unfunded highway authorizations to be paid from the Highway Trust Fund, except that for the Mass Transit Account, unfunded authorizations for any fiscal year could not exceed 12 months of estimated net receipts.

The provision establishing the Mass Transit Account shall take effect on January 1, 1983.

Senate amendment

The provisions of the Senate amendment were generally the same as in the House bill, except for four items.

(1) The Mass Transit Account would be authorized through September 30, 1989, one year longer than in the House bill.

(2) The Senate amendment refers to section 22 of the Urban Mass Transportation Act of 1964, including capital expenditures to new starts.

(3) The Senate amendment did not limit the amount of unfunded authorizations at the end of any fiscal year to any specified estimate of future net receipts.

(4) The Senate amendment would authorize the making of repayable advances from the general fund to the Mass Transit Account. Repayments would include the amount of the advance plus interest.

Conference agreement

The conference agreement follows the House bill.

The conferees intend that a fair share of the funds to be set-aside for mass transit be allocated to rapidly growing cities to fund cost-effective new rail construction, bus fleet expansion and other related needs at local option. While recognizing the importance of rehabilitating existing transit facilities which may be in disrepair, the Committee believes it is equally important that pressing needs for new facilities in other areas of the country also receive due consideration. In this regard, the Committee notes the commitment of the Administration to permit new tax revenues to be directed toward cost-effective new rail construction.

In approving capital expenditures for new transit systems, it is the conferees belief that preference should be given to projects which maximize the cost-effectiveness of the federal contribution

including use of existing infrastructure, like existing track, or substantial non-federal capital contribution.

I. TREATMENT OF MOTOR CARRIER OPERATING AUTHORITIES HELD BY CORPORATIONS ACQUIRED BY NONCORPORATE TAXPAYERS

Present law

The Economic Recovery Tax Act of 1981 provided that an ordinary deduction is allowed ratably over a 60-month period for taxpayers who held one or more motor carrier operating authorities on July 1, 1980. The amount of the deduction is the total adjusted bases of all motor carrier operating authorities either held by the taxpayer on July 1, 1980, or acquired after that date under a binding contract in effect on July 1, 1980. The 60-month period begins July 1, 1980 (or, at the taxpayer's election, with the first month of the taxpayer's first taxable year beginning after July 1, 1980).

Under the Act, adjustments are to be made to the bases of operating authorities held on July 1, 1980 (or acquired thereafter under a binding contract in effect on July 1, 1980) to reflect amounts allowable as deductions.

Under regulations to be prescribed by the Treasury Department, an election may be made by the taxpayer holding an operating authority on July 1, 1980, to allocate to the operating authority a portion of the cost basis to the acquiring corporation of stock in an acquired corporation. The election is available only if the operating authority was held directly by the acquired corporation at the time its stock was acquired or was held indirectly through one or more other corporations. In either case, a portion of the stock basis may be allocated to the operating authority only if the acquiring corporation would have been able, if it had received the operating authority in one or more corporate liquidations immediately following the stock acquisition, to allocate such portion to the operating authority under section 334(b)(2). The election applies only if the stock was acquired on or before July 1, 1980 (or pursuant to a binding contract in effect on such date) and only if, on the date the stock was acquired, the acquired corporation held, directly or indirectly, the operating authority.

In all cases, adjustments are also to be made to the basis of the acquiring corporation in the stock of the acquired corporation to take into account any allocation of the basis in the stock to an operating authority. In addition, the Treasury regulations are in all cases to provide for an appropriate adjustment to the basis of other assets.

House bill

If one or more noncorporate taxpayers on or before July 1, 1980, acquired in one stock purchase the stock of a corporation which, at the time of acquisition, held directly or indirectly any motor carrier operating authority, the acquisition shall be treated, for purposes of the provisions of section 266(c)(2) of ERTA (relating to certain stock acquired), as having been acquired by a single corporation. Thus, the basis of the operating authority may be adjusted to reflect the stock acquisition price. In order to qualify for these ad-

justments, the purchasers must have held at least 80 percent of the corporate stock on July 1, 1980.

Rules similar to the rules applicable to authorities held by corporations acquired by a corporate purchaser are to apply to authorities of corporations acquired by noncorporate purchasers.

The provision is effective for taxable years ending after June 30, 1980.

Senate amendment

The Senate amendment is identical to the House bill provision.

Conference agreement

The conference agreement follows the House bill and the Senate amendment.

II. Other Revenue Provisions

A. MODIFICATION OF EFFECTIVE DATE FOR GENERATION SKIPPING TAX

Present law

The Tax Reform Act of 1976 imposed a transfer tax on generation skipping transfers. As amended, the tax generally was effective with respect to generation skipping transfers made after June 11, 1976. As originally enacted in the Tax Reform Act of 1976, the effective date of the generation skipping tax was transfers made after April 30, 1976. The April 30, 1976 date was changed to June 11, 1976, by the Revenue Act of 1973 (Pub. L. 95–600). However, under a transitional rule, the tax did not apply in the case of transfers under irrevocable trusts in existence on June 11, 1976, or, in the case of decedents dying before January 1, 1982, pursuant to a will (or revocable crust) which was in existence on June 11, 1976, and which was not amended (except in respects which did not result in the creation of, or increase the amount of, a generation-skipping transfer) at any time after June 11, 1976. In addition, the 1982 date was extended if the testator was incompetent until 2 years after the testator regained competency.

The Economic Recovery Tax Act of 1981 (ERTA) postponed the January 1, 1982, date one additional year until January 1, 1983.

House bill

No provision.

Senate amendment

The Senate amendment basically postpones the effective date of the generation skipping tax to generation skipping trusts created after December 31, 1983.

Conference agreement

The conference agreement does not include the Senate amendment.

B. STUDY ON TAX STATUS OF CERTAIN MEMBERS OF RELIGIOUS ORDERS

Present law

Present law exempts from the term "employment", for FICA tax purposes, service performed by a duly ordained, commissioned or licensed minister of a church in the exercise of the ministry or by a member of a religious order in the exercise of duties required by such order. Likewise, "wages", for purposes of income tax withholding, does not include renumeration paid from similar services.

The Internal Revenue Service generally takes the position that a member of a religious order who is instructed by the order's supervisors to obtain employment with a third party is a employee of the third party, not of the religious order, and must include the remuneration remitted to the order in gross income, whether or not the member has taken a vow of poverty. Under this position, the remuneration is subject to FICA and income tax withholding.

House bill

No provision.

Senate amendment

The Senate amendment orders the Treasury Department to conduct a study of the effects of treating members of religious orders who perform certain services as the agents of the orders.

Conference agreement

The conference agreement does not include the Senate amendment. However, the Treasury Department has agreed to submit a report within 6 months.

C. EXCLUSIVE FROM GROSS INCOME WITH RESPECT TO CANCELLATION OF CERTAIN STUDENT LOANS

Present law

Under present law, gross income means all income, from whatever source derived, including income from discharge of indebtedness, unless otherwise provided by law. However, subject to certain limitations, gross income does not include any amount received as a scholarship or a fellowship grant (sec. 117(a)). With the exception of certain Federal grants for tuition, an amount paid to an individual to enable him or her to pursue studies or research does not qualify as a scholarship or fellowship grant if such amount represents compensation for past, present, or future employment services or if such studies or research are primarily for the benefit of the greater (Treas. Reg. sec. 1.117-4(c)).

Under certain student loan programs established by the United States and by State and local governments, all or a portion of the loan indebtedness may be discharged if the student performs certain services for a period of time in certain geographical areas pursuant to conditions in the loan agreements. In 1973, the Internal Revenue Service rules on a situation in which a State medical education loan scholarship program provided that portions of the loan indebtedness were discharged on the condition that the recipient practice medicine in a rural area of the State. The Service deter-

mined that amounts received from such a loan program were included in the gross income of the recipient to the extent that repayment of a portion of the loan was no longer required (Rev. Rul. 73-256, 1973-1 C.B. 56).

Section 2117 of the Tax Reform Act of 1976 (P.L. 94-455) provided that in the case of loans forgiven prior to January 1, 1979, no amount was to be included in gross income by reason of the discharge of all or part of the indebtedness of the individual under certain student loan programs. The exclusion applies to a discharge of indebtedness if the discharge was pursuant to a provision of the loan agreement under which all or part of the indebtedness would be discharged if the individual works for a certain period of time in certain professions in certain geographical areas or for certain classes of employers. The amendment made by the 1976 Act applies to student loans made to an individual to assist in attending an educational institution only if the loan was made by the United States or an instrumentality or agency thereof or by a State or local government either directly or pursuant to an agreement with an educational institution.

The Revenue Act of 1978 extended the student loan cancellation provisions to loans forgiven prior to January 1, 1983.

House bill

No provision.

Senate amendment

The Senate amendment extends, for one additional year, the exclusion from income provided by the Tax Reform Act of 1976 with respect to the cancellation of certain student loans. Thus, no amount will be included in gross income by reason of the discharge of all or part of a student loan of the type described in section 2117 of the 1976 Act if the loan is forgiven prior to January 1, 1984.

The provision is effective upon enactment.

Conference agreement

The conference agreement does not include the Senate amendment.

D. ENERGY CREDIT FOR CHLOR-ALKALI ELECTROLYTIC CELLS

Present law

An energy investment tax credit of 10 percent is allowed for specially defined energy property. Such property includes equipment used for heat transfer or heat conservation purposes, an automatic energy control system, a combustible gas recovery system, and modifications to alumina electrolytic cells.

In addition, the Secretary of the Treasury has the authority to add items to the list of specially defined energy property that have as their principal purpose reducing the amount of energy consumed in an existing industrial or commercial process and that are installed in connection with an existing commercial or industrial facility. The Secretary, however, may not specify an item for the list unless the item meets several minimum energy conservation and efficiency standards (sec. 44(c)(9)). The Secretary has not yet

added any items to the list under the administrative discretion provided to him in this section.

Under present law, the credit for specially defined energy property generally terminates on December 31, 1982. However, for projects that take more than 2 years to construct, the credits apply through 1990 if certain affirmative commitments are made (affirmative commitment rule).

House bill

No provision.

Senate amendment

The Senate amendment would modify the definition of specially defined energy property to include modifications to chlor-alkali electrolytic cells.

Qualifying modifications involve redesign of the use of electricity in the electrolytic process to achieve an energy savings, a modification closely resembling in function modifications to alumina electrolytic cells, which qualify under present law as specially defined energy property. The modifications must be a substitution or substantial change in technology and not periodic replacement, cleaning, or repairs of cell components. For example, qualifying modifications include energy-saving additions to, or substitutions of, components of the electrolytic reduction cell or pot, such as changes to annode or cathode configurations and the addition of thermal insulation.

The credit would apply for periods beginning after December 31, 1980, and ending before January 1, 1983 (January 1, 1991, if the affirmative commitment rule applies).

Conference agreement

The conference agreement follows the Senate amendment, except that under the conference agreement the affirmative commitment rule does not apply.

E. AFFIRMATIVE COMMITMENT RULE FOR CERTAIN ENERGY CREDITS

Present law

In general, the 10-percent business energy credits expire at the end of 1982. However, certain of those credits apply through 1990 for long-term projects (i.e., projects that take at least 2 years to construct) for which affirmative commitments are made.

To satisfy the affirmative commitment requirement, the taxpayer must (1) complete all studies and obtain all permits required under Federal, State, or local law in connection with commencement of construction of the project by January 1, 1983, and (2) enter into binding contracts for 50 percent of the estimated cost of components specially designed for the project by January 1, 1986.

House bill

The House bill has no provision.

Senate amendment

The Senate amendment modifies the affirmative commitment rule by extending the January 1, 1983, date required for completion of permits and studies by two years to January 1, 1985. The amendment applies only for synthetic fuels production equipment, coal conversion equipment, shale oil equipment, and related pollution control and handling equipment.

Conference agreement

The conference agreement does not include the Senate amendment.

F. INCOME TAX RETURN FILING REQUIREMENT FOR DEPENDENTS

Present law

In general, under present law, individuals, including dependents who are children or students, must file income tax returns if they have gross income of the exemption amount (currently $1,000) or more during the year.

House bill

No provision.

Senate amendment

The amendment provides that dependent children and students need file only if they have gross income *in excess* of the exemption amount. The amendment was intended to raise the filing requirement for all individuals. The amendment applies for taxable years beginning after December 31, 1981.

Conference agreement

The conference agreement provides that an individual whose only gross income for Federal income tax purposes is a grant of $1,000 received from a State government need not file an income tax return with the Internal Revenue Service.

Revenue effect

This provision will not affect budget receipts.

G. ALLOWANCE OF REGULATED INVESTMENT COMPANY STATUS TO CERTAIN SMALL BUSINESS DEVELOPMENT COMPANIES

Present law

Under present law, a regulated investment company (commonly called a "mutual fund" or "money market fund") is treated, in essence, as a conduit for tax purposes. This treatment is achieved by allowing a regulated investment company a deduction for dividends paid to its shareholders.

To qualify as a regulated investment company under the Code, several requirements must be satisfied. One of these requirements is that the company must either (1) be registered with the Securities and Exchange Commission at all times during the taxable year as a management company or unit investment trust under the Investment Company Act of 1940, or (2) be a common trust fund or

similar fund which is not included in the term "common trust fund" under the Code and which is excluded by the Investment Company Act from the definition of investment company (Code sec. 851(a)). To register under the Investment Company Act of 1940, a corporation must have at least 100 stockholders or must be making or presently proposing to make a public offering (the "public offering requirement").

Under the Small Business Incentive Act of 1980 (P.L. 96-477), certain investment companies providing capital and management assistance to small businesses (called "business development companies") may elect an alternative form of regulation in lieu of registering under the Investment Company Act. Any business development company electing this alternative form of regulation is precluded from qualifying as a regulated investment company under the Code because the company did not register under the Investment Company Act.

House bill

No provision.

Senate amendment

The Senate amendment enables a business development company electing the alternative form of regulation under the Small Business Incentive Act of 1980 to qualify as a regulated investment company if the company could qualify for registration under the Investment Company Act of 1940. Thus, only companies that have at least 100 stockholders or which satisfy the public offering requirement can qualify as regulated investment companies. The amendment applies with respect to taxable years ending after the date of enactment.

Conference agreement

The conference agreement does not include the Senate amendment.

H. QUALIFYING ROLLOVER DISTRIBUTIONS TO AN IRA

Present law

If a lump sum distribution is paid to an employee under a qualified pension, profit-sharing, or stock bonus plan, tax is deferred on the portion of the distribution rolled over, within 60 days, to another qualified plan or to an IRA (an individual retirement account, annuity, or bond).

A distribution from a qualified plan is not a lump sum distribution unless it consists of the balance to the credit of the employee under the plan and is made within one taxable year of the recipient. Because of these rules, and because of then-existing uncertainty as to the application of certain rules relating to prohibited self-dealing, certain distributions made in 1976 and 1977 were not qualifying rollover contributions.

House bill

No provision.

Senate amendment

The amendment allows special relief for certain pension plan distributions received from a qualified terminated pension plan on December 6, 1976, and January 6 and 21, 1977, and subsequently rolled over to an IRA on January 21, 1977. Under the provision, the transfers would be treated as qualifying rollover contributions. Thus, to the extent the payments were, in fact, rolled over to an IRA within 60 days of receipt, the distributions would not be includible in income.

In addition, the amendment would extend the usual period of limitation for filing a claim for credit or refund of taxes paid (generally, three years after the later of (1) the date prescribed for filing the tax return, or (2) the date the return was actually filed). Under the amendment, the period of limitation would be extended to permit the filing of a claim for credit or refund, attributable to changes made by the amendment, within one year after the date of enactment.

Conference agreement

The conference agreement does not include the Senate amendment.

I. DELAY OF WITHDRAWAL LIABILITY PAYMENTS UNDER MULTIEMPLOYER PENSION PLANS

Present law

Under the Multiemployer Pension Plan Amendments Act of 1980 (MPPAA), an employer who totally or partially withdraws from a multiemployer pension plan generally is liable for a portion of the plan's unfunded obligations determined before the withdrawal. The amount of liability allocated to a withdrawing employer is determined under one of several alternative formulas which may be adopted by a plan.

As soon as practicable after an employer's complete or partial withdrawal from a multiemployer plan, the plan sponsor must notify the employer of the amount of withdrawal liability and a payment schedule for paying off the liability. Payment of withdrawal liability must begin no later than 60 days after the date on which the plan sponsor demands payment. The withdrawing employer generally is required to make level annual payments to the plan (for up to 20 years) in equal quarterly installments. If any employer defaults in payment of its withdrawal liability, the plan sponsor may require immediate payment of the balance of the liability.

Although the provisions of MPPAA generally became effective on September 26, 1980 (the date of enactment), the withdrawal liability provisions generally apply to withdrawals after April 28, 1980 (the date of a markup by the Committee on Fiannce of the Senate on a bill extending prior law).

House bill

No provision.

Senate amendment

Effective upon enactment, the amendment delays until after December 31, 1983, the due date for making certain payments of withdrawal liability. Under the provision, an employer which incurred withdrawal liability on account of a complete or partial withdrawal from a multiemployer plan is not required to make payments of withdrawal liability to the plan before December 31, 1983, if certain requirements are met. The withdrawing employer must have announced on July 30, 1980, its intent to cease operations as of August 8, 1980. In addition, the employer must have begun the winding down of business by August 8, 1980, and completely terminated business by August 31, 1980.

Conference agreement

The conference agreement does not include the Senate amendment.

J. POLICE AND FIRE WORKER PENSION PLANS

Present law

The Employee Retirement Income Security Act of 1974 (ERISA) provided overall limits on contributions and benefits under qualified pension, etc., plans. The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) reduced the dollar limits on contributions and benefits under qualified plans.

Under the amendments made by TEFRA, the age below which the limit on the dollar amount of the annual benefit under a qualified defined benefit pension plan is reduced was changed from age 55 to age 62. Accordingly, benefits payable before age 62 are generally limited to the actuarial equivalent of $90,000 payable at age 62. The $90,000 limit is indexed for inflation beginning in 1986. Also, the Act provided a special floor on the limitation so that the dollar limit at age 55 and above is not less than $75,000 (no indexing is provided on the floor limit). Under the Act, the limit for ages below age 55 is determined on the basis of the usual $90,000 limit (with indexing) or the $75,000 limit, whichever is greater.

House bill

No provision.

Senate amendment

The amendment increases the dollar limit on annual benefits payable to certain police and fire workers to the equivalent of $90,000 beginning at age 55, adjusted for inflation under the same rules that apply to the $90,000 limit on benefits payable at age 62.

The amendment applies to the benefits provided under a defined benefit plan maintained by a State, or political subdivision thereof, for the benefit of all full-time employees of any police department or fire department. However, the amendment will only apply if the number of years the employee was employed on a full-time basis by the State or political subdivision in a police or fire department, when added to the number of years the employee served in the

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armed forces of the United States (to the extent considered in the plan), equals or exceeds 20.

The amendment will be effective as if it had been included in TEFRA.

Conference agreement

The conference agreement does not include the Senate amendment.

K. CRUISE SHIP CONVENTION DEDUCTIONS

Present law

Expenses of attending a business convention, seminar, or similar meeting that is held on a cruise ship are not deductible.

House bill

No provision. However, on December 16, the House passed H.R. 3191, as amended, which would allow deductions for conventions and similar meetings held on U.S. flag cruise ships, but only if (1) the cruise ship calls on ports only in the North American area (the United States, the U.S. possessions, the Trust Territory of the Pacific, Canada and Mexico), and (2) the taxpayer meets certain detailed substantiation requirements. The bill would apply to cruises beginning after December 31, 1982.

Senate amendment

The Senate amendment allows a business expense deduction for the cost of attending conventions, seminars, and similar meetings held on a U.S. flag cruise ship, but only in the amount of $2,000 per taxpayer per year ($1,000 in the case of a married individual filing separately), and only if two further requirements are met: (1) all ports of call on the cruise must be in the United States or the U.S. possessions, and (2) the taxpayer claiming the deduction must attach to his tax return for the year in question two written statements, described below.

One statement, signed by the individual attending the meeting, is to include information with respect to the total days of the trip (excluding the days of transportation to and from the cruise ship port) and the number of hours of each day of the trip that the individual devoted to scheduled business activity, a program of the scheduled business activity of the meeting, and such other information as the Secretary may require by regulations. The other statement must be signed by a representative of the sponsoring organization or group and must include a schedule of the business activity of each day of the meeting, the number of hours during which the individual attending the meeting attended such scheduled business activities, and such other information as the Secretary may require by regulations.

No deductions are available for cruises on foreign flag vessels, or for cruises calling on foreign ports.

The provision applies to taxable years beginning after December 31, 1982.

Conference agreement

The conference agreement follows the Senate amendment with a technical amendment that specifies that the maximum deduction available per individual per year is $2,000, even in case of a married individual filing separately. Thus, under the conference agreement, if two married individuals filing a joint return each attended otherwise deductible cruise ship conventions at a cost of $2,000 each during a taxable year, a total of $4,000 would be deductible by those persons on their return for that year. If a married individual attended an otherwise deductible cruise ship convention at a cost of $3,000 (while his spouse attended no such convention), however, only $2,000 would be deductible for that year, whether a joint return or a separate return was filed for that year.

L. DELAY IN INTEREST REPORTING EFFECTIVE DATE

Present law

The Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), expanded the interest reporting provisions with respect to amounts paid, or treated as paid, after December 31, 1982. Under these rules, every person making a payment of interest aggregating $10 or more in any calendar year, or making payments of interest subject to withholding (withholding is generally effective for payments made after June 30, 1983), must file an information return with the Secretary. In general, interest means interest on obligations issued in registered form or publicly offered obligations (other than short-term obligations held by corporations), interest paid on bank deposits, or deposits with other financial institutions, as well as such other amounts as the Secretary may designate as interest by regulations. Under TEFRA, original issue discount on any obligation generally is subject to reporting at the time includible in income without regard to subsequent purchaser's cost basis.

House bill

No provision.

Senate amendment

Under the Senate amendment, the interest reporting provisions of TEFRA generally would not apply to payments of interest, or amounts treated as paid, prior to July 1, 1983. However, the interest reporting requirements would continue to apply to any payment to the extent reporting was required under prior law and to any payment by a payor with respect to its own obligations.

Conference agreement

The conference agreement does not include the Senate amendment.

M. TAX EXEMPT DIVIDENDS OF REGULATED INVESTMENT COMPANIES

Present law

The Tax Reform Act of 1976 amended the rules applicable to the taxation of regulated investment companies (commonly referred to as "mutual funds") and their shareholders to allow the pass

through or conduit treatment of tax exempt interest. Under those rules, if more than 50 percent of the assets of a regulated investment company are assets described in section 103(a)(1), then the portion of the dividends paid to its shareholders which are paid from interest which is exempt from tax under section 103(a)(1) is treated in the hands of the shareholder as income which is exempt from tax under section 103(a)(1). (See sec. 852(b)(5)).

In addition to the special treatment accorded obligations described in section 103(a)(1) under section 852(b)(5), there are a number of other provisions in the Internal Revenue Code where special treatment is accorded to obligations which are described in section 103(a) or the income from those obligations.

Section 103(a)(1) provides that gross income does not include interest on the obligations of a State, a Territory, or a possession of the United States, or any political subdivision of those entities, or of the District of Columbia. In addition to obligations described in section 103(a)(1), present law also provides exemption for interest on a number of obligations which are not described in section 103(a)(1). For example, exemption is provided to certain qualified scholarship funding bonds (under section 103(a)(2)), certain obligations of housing agencies (under section 11(b) of the Housing Act of 1949), and certain obligations of Puerto Rico and the Virgin Islands. Interest on these obligations which are not described in section 103(a)(1) does not qualify for the pass-through or conduit treatment of regulated investment companies.

House bill

No provision.

Senate amendment

The Senate amendment broadens the types of obligations described in section 103(a)(1) to include all obligations on which the interest is exempt from Federal income tax under all provisions of Federal law outside of the Internal Revenue Code (as those provisions of law were in effect on the date of enactment of this bill). Thus, obligations described in section 11(b) of the Housing Act of 1949 and obligations of Puerto Rico and the Virgin Islands would be included in the obligations described in section 103(a)(1). The interest on such obligations would be considered interest described in section 103(a)(1) for all purposes of the Internal Revenue Code, including the pass-through or conduit treatment accorded to tax exempt interest under section 103(a)(1) of regulated investment companies. Obligations described in these other provisions of law are not subject to the rules applicable to industrial development bonds or arbitrage bonds.

The Senate amendment also provides that only provisions in the Internal Revenue Code may provide for the exemption of interest on obligations. Thus, after enactment of this provision, interest on obligations described in section 11(b) of the Housing Act of 1949 or obligations of Puerto Rico or the Virgin Islands is exempt from tax under section 103(a)(1) of the Internal Revenue Code and not pursuant to laws describing those obligations under present law.

Conference agreement

The conference agreement follows the Senate amendment.

N. STUDY OF TRAVEL AND TRANSPORTATION EXPENSES OF CONSTRUCTION WORKERS

Present law

Under present law, a taxpayer is allowed a deduction for traveling expenses incurred while away from home in the pursuit of a trade or business. For purposes of this deduction, the taxpayer's employment at a location away from home must be temporary. The Internal Revenue Service has ruled that, if the anticipated and actual duration of employment at a particular location is less than a year, the employment will normally be considered to be temporary. However, the courts do not necessarily apply this mechanical test and instead, look to the facts and circumstances to determine whether the employment is temporary or permanent.

House bill

No provision.

Senate amendment

Under the Senate amendment, the Secretary of the Treasury is directed to submit, by July 1, 1983, to the House Committee on Ways and Means and the Senate Committee on Finance a study of the tax treatment of travel and transportation expenses of construction workers at job sites away from home.

Conference agreement

The conference agreement does not include the Senate amendment.

O. EXPENDITURES TO REMOVE ARCHITECTURAL AND TRANSPORTATION BARRIERS TO THE HANDICAPPED AND ELDERLY

Present law

A taxpayer may deduct in a taxable year the expenses incurred in removing a qualified architectural and transportation barrier to the handicapped and elderly. These deductions otherwise would be charged to the taxpayer's capital account.

A qualified deduction is an expenditure to make any facility or public transportation vehicle more accessible to, and usable by, handicapped and elderly individuals. To take a qualified deduction, the taxpayer must establish that the barrier removal meets standards set by the Secretary and the Architectural and Transportation Barriers Compliance Board as prescribed in regulations.

A handicapped individual means an individual who has a mental or physical disability (including blindness or deafness) which (1) constitutes a functional limitation to employment or (2) substantially limits one or more major life activities of the individual.

The deduction may not exceed $25,000 for any taxable year.

The provision expires after December 31, 1982.

House bill

No provision.

Senate amendment

The expiration date of the deduction for qualified architectural and transportation barrier removal expenses is extended for one year, through December 31, 1983.

Conference agreement

The conference agreement does not include the Senate amendment.

P. NORMALIZATION METHOD FOR PUBLIC UTILITY PROPERTY

Present law

Under present law, normalization generally requires that tax benefits attributable to the investment tax credit, accelerated depreciation and accelerated cost recovery be taken into account for ratemaking purposes over the service life of the asset that generates the tax benefits.

House bill

There is no provision under H.R. 6211. However, H.R. 1524 as passed by the House restates and makes more specific the normalization rules relating to the investment tax credit, accelerated depreciation and accelerated cost recovery. Under this bill, special transition rules are also provided to preclude the loss of eligibility for these investment incentives with respect to rate orders entered into prior to March 13, 1980 affecting three California utilities (Pacific Telephone and Telegraph Company, General Telephone Company of California, and Southern California Gas Company).

Senate amendment

The Senate amendment generally follows the provisions of H.R. 1524, but modifies the special transition rules.

First, to obtain relief under these transition rules, a portion of the tax benefits would have to be repaid to the Treasury over a 2-year period generally beginning June 30, 1983. The portion to be repaid would be limited to the tax benefits which were actually flowed through to consumers too rapidly. If timely paid during the 2-year period, no interest would be charged to the utilities with respect to the repayments. For Federal income tax purposes (including the treatment of property dispositions and the amount of depreciation deductions), so much of the taxpayer's investment in property as is necessary to produce the tax benefits required to be repaid shall be treated as not having satisfied the normalization requirements.

Second, the remaining portion of the tax benefits, which would otherwise have to be repaid as a result of a disqualifying rate order, will be eligible for protection under the transition rule only if the taxpayers enter into closing agreements with the Internal Revenue Service, generally before July 1, 1983.

Third, the Internal Revenue Service would pay no interest on refunds due to the utilities with respect to amounts previously repaid to the Treasury.

Conference agreement

The conference agreement follows the Senate amendment.

Q. EFFECT OF SALE IN BANKRUPTCY OF AIRCRAFT SUBJECT TO SAFE-HARBOR LEASE

Present law

In general, the regular investment credit applies to tangible personal property and other tangible property (generally not including a building or structural component) used in connection with manufacturing, production, or certain other activities. Property used predominantly outside the United States generally is not eligible.

Recapture of investment credit is required if the property either is disposed of or ceases to be used for a qualifying purpose prior to the end of the recovery period used for computing ACRS deductions. For example, recapture is required if 5-year recovery property is used predominantly outside the United States before the end of the 5-year recovery period.

The general rule requiring recapture upon sale of property does not apply when property subject to a safe-harbor lease is sold as a result of the bankruptcy of the lessee, if certain requirements are met (bankruptcy rule). Among the requirements that must be met is a requirement that the person who purchases the property use the property predominantly within the United States.

The safe-harbor lease rules were modified by the Tax Equity and Fiscal Responsibility Act of 1982. Those modifications do not affect either the general recapture rule or the special bankruptcy rule. The modifications do not apply to transitional safe-harbor lease property, including certain aircraft.

House bill

No provision.

Senate amendment

For aircraft covered by the safe-harbor lease transitional rules, the Senate amendment provides that no recapture will be required upon sale of the aircraft in bankruptcy to a person who uses the property predominantly outside the United States if the other requirements of the bankruptcy rule (other than the prohibition against foreign use) are met.

Conference agreement

The conference agreement does not include the Senate amendment.

III. Other Provisions

A. SOCIAL SECURITY ACT PROVISIONS: DISREGARD OF CERTAIN ENERGY ASSISTANCE IN SUPPLEMENTAL SECURITY INCOME (SSI) AND AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC) PROGRAMS

Present-law

In the welfare programs of SSI and AFDC, the monthly payment to each recipient is determined by subtracting that person's other income from a specified assistance standard. The AFDC and SSI statutes specify certain limited types of income which are not to be counted in making these determinations. Otherwise, all income serves to reduce the assistance payment. (In the case of SSI, in-kind income is explicitly included in the definition of income.)

House bill

No provision.

Senate amendment

The Senate amendment would add to the items which are not counted as income certain types of assistance provided to help AFDC and SSI recipients meet their energy needs. Any such assistance in cash or kind would be excluded from income if it is based on the need for assistance with home energy costs and is furnished by a home heating oil or gas supplier or by a utility company (including a municipal utility) which provides home energy. Assistance of this type provided by a non-profit organization would also be excluded from income but only if it is in-kind assistance. In the case of the AFDC program, the exclusion provided by the amendment would be optional with each State. The amendment would apply to assistance provided from the month after enactment through June 1985. Prior to April 1985, the Secretary of Health and Human Services would be required to report on the implementation of the amendment.

Conference agreement

The conference agreement follows the Senate amendment.

B. UNEMPLOYMENT COMPENSATION PROVISIONS: EXTENSION OF FEDERAL SUPPLEMENTAL COMPENSATION (FSC) BENEFITS

Present law

Most States provide up to a maximum of 26 weeks of State unemployment compensation benefits to unemployed individuals who meet the qualifying requirements of State law. Many claimants qualify for less than the maximum 26 weeks of State benefits. State benefits are financed out of State unemployment trust funds.

Under the permanent Federal-State extended benefits (EB) program, additional weeks of unemployment compensation are payable to individuals who exhaust their State benefits during periods of high unemployment. No one may receive more than 13 weeks of extended benefits, or more than 39 weeks of State plus extended benefits. Extended benefits are financed one-half out of State unemployment trust funds and one-half out of Federal unemployment trust funds.

Effective September 12, 1982 through March 31, 1983, up to 10 additional weeks of unemployment compensation benefits are available for unemployed workers in States in which extended benefits are being paid or have been paid at any time since June 1, 1982. Up to 8 additional weeks of benefits are provided in States in which the extended benefit trigger rate equals or exceeds 3.5 percent. Up to 6 additional weeks of unemployment benefits are provided in all other States.

If at any time 10 additional weeks of benefits are or become payable in a State, qualified unemployed workers in the State will be able to receive up to 10 weeks of benefits throughout the duration of the program, regardless of changes in the extended benefit trigger rates in the State. These benefits are financed totally by the Federal Treasury.

The additional weeks of benefits are paid to unemployed workers whose entitlement to State benefits (i.e., benefit year) or extended benefits ended on or after June 1, 1982; and

(a) who have no rights to regular or other State benefits or Federal/State extended benefits;

(b) who have worked 20 or more weeks or have the equivalent in wages (i.e., 40 times the weekly benefit amount or one and one-half times high quarter wages, as specified in the extended benefits program) during the State defined base-period (generally a 12 month period prior to the time the person filed for State unemployment compensation); and,

(c) who continue to meet all other State and extended benefit requirements.

Except in States in which 10 additional weeks are or become payable, and individual's eligibility determined is on a week by week basis according to the situation prevailing in the State. For example, an individual who initially qualifies for 6 weeks of benefits under this program (because the State extended benefit trigger rate is under 3.5 percent) may receive an additional 2 or 4 weeks of benefits if the rate subsequently increases (even if this occurs some weeks after he exhausts his 6-week entitlement). Similarly, an individual who draws his first week of benefits under this program at a time when the State meets the 8-week criteria will not be eligible for a seventh or eighth week of benefits if the State extended benefit trigger rate drops below 3.5 percent before he receives the seventh and eighth week of benefits.

The determination of whether a State has a rate of 3.5 percent or more is determined in the same manner as the extended benefit triggers: that is, on the basis of the average of the rates prevailing during a 13-week period ending 3 weeks previously.

House bill

No provision.

Senate amendment

The Senate amendment modifies the number of weeks payable under the Federal Supplemental Compensation program as follows: 16 weeks are payable in States with an insured unemployment rate of 6 percent or more; 14 weeks are payable in States with less than 6 percent insured unemployment if the State was eligible for extended benefits at any time between June 1, 1982, and enactment; 12 weeks are payable in States where the insured unemployment

rate is below 6 percent but at least 4.5 percent or if the State becomes eligible for extended benefits after enactment; 10 weeks are payable in States where the insured unemployment rate is below 4.5 percent but not below 3.5 percent; 8 weeks in all other States. The program will still expire on March 31, 1983.

Conference agreement

The conference agreement follows the Senate amendment with a technical modification. This modifies a provision in H.R. 6056, the Technical Corrections Act of 1982, pertaining to the payment of interstate claims for FSC benefits, to conform this provision to the changes contained in this agreement.

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